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FEBRUARY 5, 1955

foreign trade



FRANCE ATTACKS ITS LONG-TERM PROBLEMS (page two)



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foreign trade

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COVER At a Lyons silk mill, a skilled French artisan prepares a textile design. The textile manufacturers shared in the improvement in production and exports that marked French industry in the last nine months of 1954. For details on this and on the general economic situation in France, turn to page two.

—French Information Service.

France attacks its long-term problems

Rising production, a successful export drive, an excellent harvest—all these have brightened the French economic picture in the past year. A campaign to solve persisting problems is being energetically pursued.

R. CAMPBELL SMITH, *Commercial Secretary, Paris.*

THE PAST FEW MONTHS have witnessed a steady improvement in the economic picture in France, with production reaching a three-year high, exports increasing, and the balance of payments deficit shrinking. And, to make certain that this progress will continue, the present government is tackling some difficult long-term problems. Recently the National Assembly approved a three-year program of investments and of other measures designed to improve agricultural production, modernize industry, step up housing construction and raise output in overseas territories.

Economic planning from 1946 to 1953 concentrated on restoring the country's production facilities that had languished in the 1930's and during the war. By the beginning of 1954, agricultural output in the most important sectors had exceeded prewar levels; industrial production had risen 44 per cent over 1938.

However, France's long-term expansion has not been keeping pace with that of other leading Western powers. The index of French industrial output (1913=100) was 147 in 1953, compared with 162 for the United Kingdom, 165 for Belgium, 232 for Germany and 380 for the United States. Certain industries, furthermore, are lagging far behind the others, particularly coal, oils, fats, food, textiles, clothing, paper, leather and hides. Finally, the general standard of living—despite the recent stability in prices—remains low. The Government has observed with anxiety, for instance, that there are 950 thousand workers in private industry today drawing wages of less than \$64 per month.

The "Second Plan"

The administration's new economic program, known as the Second Plan 1954-57, has the task of consolidating and improving France's economy by bolstering the weak sectors. The Plan has set the following targets for 1957:

- To increase national income by 25 per cent over 1952.
- To raise agricultural production by 20 per cent and industrial production by 25 to 30 per cent.
- To step up activity in the building trades by 60 per cent, including an increase of 240,000 houses a year.

The realization of these objectives should raise the standard of living by 4 per cent a year and bring the balance of payments into equilibrium. Measures to be used to reach these targets include the encouragement of technical and scientific research, the reconversion of superfluous plants, the transfer of labour, and the rehabilitation of marginal farming areas. Accompanying financial measures include liberalization of trade and tax rebates to stimulate exports.

Strong Recovery in 1954

Despite France's long-term economic problems, the immediate picture is bright. Official indices of industrial production have, since March 1954, been outpacing those for the last three years by a big margin. The combined index climbed steadily to 164 (1938=100) in September-November in comparison with a 1953 average of 143 and 152 for November 1953. Every sector made gains, with steel and automobiles showing major increases. The position today is vastly different from that of 1952, when depression hit the consumer goods industries in the second quarter and the capital goods industries in the fourth.

The November 1st estimates of cereal crops show an overall increase to 18.28 million metric tons, compared with 16.45 million metric tons for 1953. Figures for the three main crops, with 1953 totals in brackets, are: wheat, 10.52 million metric tons (8.98); barley, 2.52 (2.24); oats, 3.57 (3.66). The rest have remained fairly constant. Average yields per hectare for wheat and barley reached a record and appear to reflect improved farming techniques. The potato crop is a success at 15.9 million tons, as against 13.6 million last year. The industrial beetroot crop is down to

11.5 million metric tons from 12.5 million, largely as a result of reduced acreage. The wine harvest, though it varies in quality, is expected to equal 1953. Coal output has been well maintained, with the highest man-shift yield in Europe. The current rate is 9 per cent above the average for 1953 and 26 per cent above 1938. However, slow sales—the result of stock accumulations, competition from oil fuel, and anticipated price cuts—have caused distress in coal-mining areas. To remedy this situation and to reduce costs of industrial production, the Government has lowered coal prices 3 per cent and raised fuel oil prices 4 per cent. Net imports of coal have been running at about 20 per cent of total French consumption. Electric power output to the end of November 1954 has exceeded that for last year.

Come-back in Industries

In November iron and steel production set the fastest pace in two years—equalling the record set in October 1952 and 21 per cent above the figure of 1953. Total steel output in 1954 will probably reach 10.6 million metric tons, or 6 per cent more than in 1953, reflecting buoyant domestic demand and overseas orders. For example, French car and truck deliveries for the first eleven months of 1954 totalled 540,455 units (393,219 cars and 147,236 commercial vehicles) as against 449,720 for the same period in 1953 (334,447 and 115,273). Exports for these periods reached 122,888 and 98,914 units respectively, an increase of 20 per cent in passenger cars and 40 in commercial vehicles. The textile industry staged a minor comeback in the first ten months of this year, with total deliveries up nearly 8 per cent and textile exports up 14 per cent over the same period a year ago. Rayon staple fibre—the prodigy of the postwar period—has risen in output by 16 per cent in the last twelve months and exports by 47 per cent. All other sectors of the industry also increased their production, with the exception of rayon and silk fabrics. Textile exports, with a value of \$315 million, accounted for 16 per cent of total French exports up to the end of September. This success was achieved through determined competitive pricing by an industry that still has many problems.

Exports Rising

Trade results during the second half of the year reflected a marked turn for the better. In October France had a small favourable balance of trade for the first time in four years, largely as a result of increased exports. Figures for November show a further rise in exports of 7 per cent over October, bringing the eleven-month total to almost 15 per cent above the same period in 1953. The final figures for 1954 will probably show an improvement over the visible trade accounts for the three previous years. Up to the end of November, exports from Metropolitan France paid for 81 per cent of imports from non-franc countries.

In the annual survey recently released by OEEC, France's economic position has been summed up as having "improved appreciably since last year" . . . although . . . "her structural problems have not yet been solved and her external payments still show a persistent lack of balance". Prices have remained stable, although hourly wages increased by 5 per cent in the first half of 1954. Demand increased during the first half but was balanced by a particularly good harvest and a rise in productivity.

Weak Spots Remain

The OEEC survey points, however, to certain less encouraging features. The present budget contemplates deficit financing to the extent of nearly \$2,500 million in 1955. Fixed investment is considered inadequate; it represents only 13 per cent of the gross national product compared with 18-20 per cent in many other OEEC countries. And the annual rate of the deficit on balance of payments in the franc area remains high.

France is having difficulty in complying with the OEEC trade liberalization time-table. The Government decided to increase quota-free imports from 65 per cent to 75 per cent on January first but has now announced that the measures cannot be fully or formally implemented until April first. Only with considerable reservation has it agreed in principle to the OEEC proposal to raise the minimum from 75 per cent to 90 per cent. The administration's attitude is nevertheless regarded as an earnest of its intentions to make a breach in the system of protection that has weakened the country's economy.

The survey suggests that further measures are necessary to pave the way towards a strong French economy. Among these measures are tariff reform, abolition of uneconomic subsidies, further incentives to greater productivity by means of credit policies, and the restoration of greater competition.

The Government appears to have recognized the desirability of some of these objectives and has subscribed to them within the framework of the Second Plan and its statements on economic policy. This is particularly true in the realm of subsidies, productivity and competition. Great stress is laid on the compelling need for a realistic program to rebuild the economy.

Under the special powers granted by the National Assembly last October, the administration has a mandate until March 31, 1955, at least to put its plans into effect. Regional offices have been established in the areas where the rationalization of industrial and agricultural production is to be concentrated. The Government has provided what it considers to be the framework and time-table for achieving full solvency by 1957. It is an ambitious project, founded on two premises—public support from within the country, and stable world conditions for the next three years. ●

How's Business in Sweden?

*Flourishing trade in forest products has been main factor in improved business conditions in first nine months of 1954
More liberal policy initiated towards imports from dollar area*

L. A. CAMPEAU, *Commercial Secretary, Stockholm.*

THE RELATIVE STABILITY which marked business conditions in Sweden during 1953 continued throughout the first three quarters of 1954. The volume of production rose, mainly in the forest industries, and because of brisk investment activity and rising domestic consumption. The general wage level rose slightly over 1953; the rate of private saving fell off. Prices of coffee, spirits and tobacco rose somewhat; for most other goods they remained steady. Unemployment declined, thanks to a strong demand for labour in all fields, with the exception of the textile industry. Some persons are beginning to fear that full employment may develop into "over-full" employment, with resulting economic strains.

Active domestic demand boosted imports substantially in the first nine months of 1954 and because exports did not increase at the same rate, the import surplus was larger and the foreign exchange reserves slightly lower than a year earlier. Imports were expected to keep up during the last quarter, with the flow of goods resulting from Sweden's liberalization measures. Since the beginning of October, more than one-third of the commodities imported into Sweden from the dollar area are on the free list and a more liberal policy towards applications for the import of other commodities was promised.

Trade in Forest Products

Sales of sawn and planed goods for delivery abroad this year had, by the end of September, reached 780 thousand standards, compared with 910 thousand standards for the whole of 1953, a postwar record. Apparently all the large sawmills have sold their total output for the year; quantities still available are coming from the small sawmills in southern Sweden. Prices are about the same as in 1953.

The demand for all types of pulp has continued to be brisk. By the end of June, practically all of the 1954 production had been sold or reserved for buyers' account. In the first nine months of the year, shipments totalled 1.6 million metric tons, compared with 1.5 million tons for the same period of 1953. Exports to Britain and other European countries increased; those to the U.S. have declined sharply.

Production in the paper industry continues to be high and the market is still experiencing a keen demand and firm prices. The year's output will probably surpass all previous Swedish records. During the first nine months of 1954, Swedish exports of paper and board totalled 557,744 metric tons, an increase of 9 per cent over last year's corresponding figure. Interesting to note is the considerable growth in Swedish exports of paper and board to the United Kingdom which, during the first six months, went up by 63 per cent over last year. Exports to other countries, including the United States, have declined considerably.

Iron and Steel, Engineering, Textiles

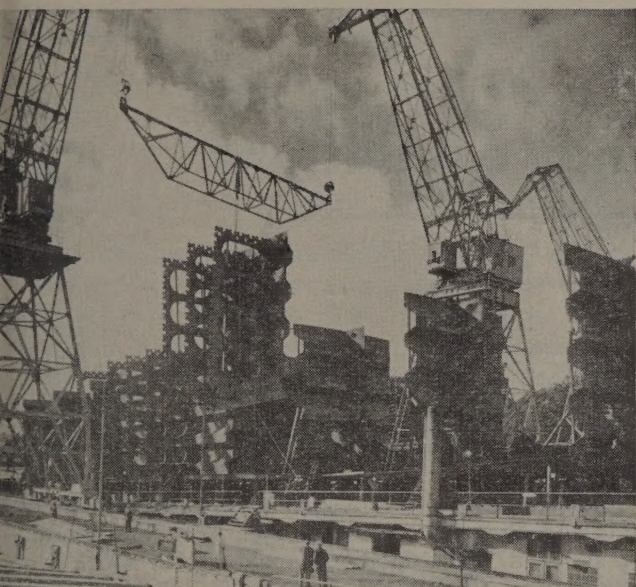
Market conditions for iron and steel, which weakened in 1953, have improved in recent months. The demand is satisfactory and the supply of orders on hand is increasing. The output of ordinary iron and steel was 33,000 tons higher in the first half of '54 than in the first half of '53, an increase of 6 per cent. Imports rose by about 66,000 tons and exports declined by about 7,500 tons, compared with the same period last year.

The improvement in the engineering industry shown during the later part of 1953 has continued in the year 1954. Orders on hand have increased, both for export and for the domestic market. Prices have remained roughly unchanged for the majority of plants, although most electric engineering shops had to report reductions in the second half of the year.

The situation in the textile industry has not improved and marketing difficulties brought about by stiff foreign competition still exist. The continuing decrease in employment resulted in lower production in the wool-weaving mills; the output of cotton and silk has expanded slightly. In the ready-made clothing industry as a whole the situation is unsatisfactory, although it has not so far given the same cause for concern as in the rest of the textile field.

Output of Cereals

At the beginning of the year, it was estimated that the cereal harvest would exceed last year's crop in spite of adverse weather conditions. However, the last official report gives a less favourable picture. Nevertheless, this year's cereal crops are estimated to yield



A view of Eriksberg Mekaniska Verkstad, Sweden's third largest shipyard. The number of ships exported increased in the first nine months of 1954 and contributed to a seven per cent rise in total exports in that period. Other industries with larger sales to foreign countries included pulp, paper and board, machinery, and vehicles.

1,339,000 tons, 4 per cent more than last year, but the quality will probably be lower. Fodder crops are estimated at 1,904,000 tons, or 11 per cent smaller than in 1953. The hay harvest is put at 4,618,000 tons, 5 per cent below last year. Wheat imports during the first nine months of 1954 totalled 4,003 tons, compared with 45,370 tons during the same period last year. On the other hand, wheat exports for January-September 1954 reached 341,927 tons, compared with 148,649 tons for the same period last year; main purchasers during the first half of the year were West Germany, Hungary and Denmark.

Foreign Trade

In the first nine months of the year, both exports and imports increased substantially in value over 1953. Imports went up by over 10 per cent and exports by about 7 per cent. The import surplus rose from 445 million kronor during the nine months of 1953 to 719 million kronor in the corresponding period of '54, a rise of 38 per cent. This increase was almost entirely in volume, as prices reflected only slight changes.

Import and export figures for January to September 1954, together with comparative figures for the same period of 1953, are given below:

	1953 (Jan.-Sept.)	1954 (Jan.-Sept.)
	(in million kronor)	
Imports	5,912	6,608
Exports	5,467	5,889
Excess of imports	445	719

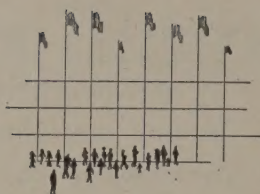
The import increase stems chiefly from a rise in the number of imported vehicles and automobile parts for assembly, iron and steel products, base metals and chemicals. For exports, the increase was mainly in pulp, paper and board, ships, vehicles and machinery

—the latter reflects the improved conditions in the engineering industries.

Effective October 1, 1954, Sweden liberalized an extensive list of dollar imports. Liberalization of Sweden's trade with the dollar area made further progress when it was decided to grant import licences for many commodities not on the free list, provided they are paid for in "transit dollars" bought through Swedish banks or if they are purchased through a non-dollar country. As a result of these steps, most goods which Sweden admits freely from European countries are also on the free dollar list or they may be imported from the dollar area through transit transactions.

Notable in this period of 1954 was the growth in the trade with European countries; trade with North America declined. Sales to West Germany, Great Britain and the Scandinavian countries rose considerably; imports from the USSR mounted and exports to Russia decreased slightly.

The signs are that the present favourable conditions in Sweden will continue. In most industries, the demand is high and fresh orders are expected. Production in certain lines (such as iron and steel) may increase faster than in the earlier part of the year because of completion of new plants and the growing demand. However, employment in the textile industry will probably drop further, because stocks are heavy in the face of a threat of increased imports. The liberalization of Sweden's foreign trade may well continue; apart from liberalizing many dollar imports at the beginning of October, the Government also extended the already significant free-listing to the OEEC area at the same time. The result of the first stage in the freeing of dollar imports is expected to be an import surplus, but this might well mean a drop in purchases from other markets. ●



fairs and exhibitions

Aluminum on Display

ALUMINUM GOODS moved into the Canadian Showroom at Rockefeller Center in mid-January and will remain on display until the middle of February. Visitors soon discover how wide a range the term "aluminum goods" covers—kitchenware, knitting and crochet needles, baby carriages, golf buggies, and other products. One firm is showing aluminum covers and aluminum cover slides for telephone directories, name plates and rulers, and another is showing aluminum mail boxes. Fourteen firms altogether are participating, including one which supplies stellite products—paper slitters, dies, sugar-cane knives, turbine blades, etc.

Canadians have been selling many aluminum products in the United States and this Showroom exhibit should help introduce new lines and increase volume in older ones. Canadian aluminum siding and roofing, shingles, foil, etc., are shown by a firm which has been selling in the United States for some time. Aluminum mail boxes, post office lock boxes, ladders, first aid stretchers and builders' hardware should provoke considerable interest. Several of the products included have received design awards from the National Industrial Design Committee.

For the Sports-Minded

SOMETHING NEW AND LIVELY in the way of fairs is slated for Turin, Italy, from May 29-June 19. "The International Exhibition of Sports", to be held at the Exposition Palace in Valentino Park, is heralded as not "a mere show of sporting goods but also a great international festival of sports in their present state of development". The organizers, in fact, are developing the exhibition in three sections—one, a review of the "sporting civilization of today", including a pictorial history of sports; two, a display of industrial and handicraft production for sports; and three, spectacular sporting events. All branches of sport will be covered, from yachting to ju-jitsu and underwater shooting to football.

Section one—the sporting civilization of today—will include exhibits on the building of aerodromes, sports

palaces and arenas, etc. Among the sporting events scheduled are a Grand Prix horse race, international bowling matches, gymnastic contests, tennis tournaments, and motorcycle races.

Canadians who wish to send exhibits of sporting equipment or accessories or who would like more information about this exhibition should get in touch with the Commercial Attaché, Embassy of Italy, 133 Sparks Street, Ottawa.

Machinery for the Farm

HIGHLIGHT of the British agricultural year is the Smithfield Show and Agricultural Machinery Exhibition, held each year at Earls Court, London, early in December. Among the wide variety of farm machinery displayed at the latest show, the following attracted special attention:

- An "automatic gardener". This versatile machine, with attachments, can rotary cultivate, plough, hoe, cut and trim lawns and hedges, spray paint and insecticides. It will even wash the car!
- A power take-off unit. Put this unit under the jacked-up rear wheel of a car and you can operate appliances like circular saws, dynamos, pumps, etc.
- An elevator designed to handle loose grain speedily and said to cope with about ten tons an hour.
- A multi-purpose crop dryer, the product of long research, and suitable for handling grain, seeds, grass, legumes and hay. It operates with a duct air heater and a single-stage axial flow fan.
- A fertilizer distributor which can be dismantled for cleaning in about three minutes—a useful feature when chemical fertilizers are being used.

Report from São Paulo

WHEN THE CITY of São Paulo last year celebrated its 400th birthday, one of the special features was the First International Trade Fair, which ran from November 15 until the end of December. Few fairs,

new or old, have a more beautiful setting, with special pavilions erected in a park opened this year.

Altogether, 19 nations sent displays—14 European, 2 Latin American, 2 North American, and one Asian country. Leading exhibitor was West Germany, followed by Italy and France. These three are making a special drive in the Brazilian market; so is Japan.

Four Canadian firms participated in this fair, two exhibiting agricultural machinery, one primary metals, and one road machinery. The Canadian Government also sent a display, a series of panels depicting how Canadians live—their homes, their education, their culture, their industries, their occupations, and the ethnic groups making up the country.

Goods to Display?

IN THE NEXT FEW MONTHS, several specialized trade fairs in Europe offer to Canadian companies opportunities to promote their overseas sales or to purchase new equipment, not made in Canada. A few of these fairs are listed here; others will be mentioned from time to time.

- *Packaging and Packaging Machinery.* At the Cologne Fair, Germany, October 1-9, a new section will be devoted to displays of packaging material and machinery. Manufacturers in several countries have already taken space. Canadians interested should write to the German-Canadian Trade Promotion Office, 185 Bay Street, Toronto.

- *Laboratory Equipment.* The Ninth International Fair at Ghent, Belgium, September 10-25, will include a special showing of laboratory equipment for science and industry. The exhibit will be built around the theme "The laboratory at the service of humanity", will be set up with the co-operation of the Belgian Chemical Society, and may be repeated every five years. Last year the Ghent Fair attracted 459 thousand visitors—17,000 of them from 36 different foreign countries.

- *Handicrafts.* Organizers of the 7th German Handicrafts and Trade Fair in Munich, May 6-15, invite displays from foreign firms engaged in handicrafts and from their supplying industries. In 1954, some 360 foreign companies took space and exhibits were organized in 26 main groups. For information, write to First Secretary (Commercial Affairs), Embassy of the Federal Republic of Germany, Ottawa.

- *Plastics.* Manufacturers of the basic raw materials for plastics, of machinery, equipment and tools used by the plastics industry, and of products made from

plastics are invited to exhibit at the World Plastics Fair and Trade Exposition, Los Angeles, California, April 6-10. Displays should tie in with the general theme of "better living made possible by plastics". For information, write to 1955 World Plastics Fair, 8762 Holloway Drive, Los Angeles 46, California.

- *Motor Vehicles, Motorcycles, Motor Boats.* Motor vehicles of all types, trailers, boats, etc., will go on exhibit at the 25th International Motor Show, Geneva, Switzerland, March 10-20. Twelve different countries are expected to participate.

Parading Philippine Progress

HOW SUCCESSFULLY industry in the Philippines has built on the ruins of war will be demonstrated in an exposition to open in Manila on February 19th. Named the "Cavalcade of Industries", its primary purpose is to impress Filipinos with the number and variety of domestic-made goods and to remove the prejudice against some of these goods.

But the organizers of the Cavalcade have their eye on publicity abroad too. The objective of the fair permits displays only by foreign companies which sell to Philippine companies either industrial machinery and equipment or raw materials and supplies. None the less, the authorities hope that the Cavalcade will strengthen trading ties with other countries and impress them with the progress of Philippine industry in the last few years. It will run until March 6 and may be repeated within five years.

Fairs in Canada

50th Canadian Hardware and Housewares Exhibition
February 7-10, Exhibition Park, Toronto. For information, write: R. M. Gilmour, Canadian Retail Hardware Association, 290 Merton Street, Toronto.

National Gift Show

February 21-24, Exhibition Park, Toronto. For information, write: Angus Baxter, 9 Duke Street, Toronto.

Canadian Sporting Goods and Cycle Association Merchandising Show

February 21-25, Royal Connaught Hotel, Hamilton. For information, write: P. J. Wardle, Canadian Sporting Goods & Cycle Assoc., Suite 604, 80 Richmond Street West, Toronto.

Canadian Toy Fair

February 28-March 4, Mount Royal Hotel, Montreal. For information, write: W. J. Cannon, Canadian Playthings Manufacturers Inc., Room 308, 330 Bay Street, Toronto 1.

Canadian National Sportsmen's Show

March 11-19, Exhibition Park, Toronto. For information, write: L. M. Kelly, 85 King Street East, Toronto.

Automotive Service Show

March 16-19, Exhibition Park, Toronto. For information, write: J. A. Hines, 294-306 Church Street, Toronto.

For the Mechanized Farm

AN INTERNATIONAL COLLECTION of agricultural machines and implements will be on display in Paris next spring when the 27th Salon International de la Machine Agricole opens at the Parc des Expositions de la Porte de Versailles. The show will run from March 1-6, 1955.

Last year, 200 thousand visitors inspected the farming equipment presented by more than 1,500 manufacturers from a number of countries. Reservations will be accepted until October 1st; for information, write the Commercial Counsellor, Embassy of France, Ottawa.

Fairs in Europe

Leather Goods Industries Fair, London, February 14-18. For information: the *Leathergoods Journal*, 15 Cursitor Street, London, E.C. 4.

Fashion Fair, London, February 14-18. For information: V. G. Sherren, The National Trade Press Ltd., Drury House, Russell Street, London, W.C. 2.

Household Textiles and Soft Furnishings Fair, London, February 21-25. For information: V. G. Sherren, The National Trade Press Ltd., Drury House, Russell Street, London, W.C. 2.

Brighton Toy Fair, Brighton, February 21-25. For information: Jack Watkins, Organizer, British Toy Manufacturers Association Ltd., Hatton Garden, London, E.C. 1.

2nd Scottish National Handicrafts and Homecrafts Exhibition, Glasgow, February 24-March 5. For information: Henderson Exhibitions Ltd., 74 Holland Park, London, W. 11.

International Fair, Nice, February 26-March 14. For information: Secretary, Foire de Nice, 5 rue Hotel de Ville, Nice.

Stationery and Book Trades Fair, London, February 28-March 4. For information: National Newsagent Ltd., 149 Fleet Street, London, E.C. 4.

Brazil Teaches Business

FOR THE FIRST TIME, Brazil has a school designed exclusively for teaching business administration. Opened in September, it provides an intensive twelve-week, full-time course of study devoted to business management and is patterned after those offered by United States universities. The curriculum covers the specialized fields of financial administration, accounting, distribution and sales, production, industrial relations, etc.

The idea was brought to fruition through the co-operation of the Getulio Vargas Foundation, the Ministry of Education and Culture, and the United States Foreign Operations Administration. The Getulio Vargas Foundation is a non-political, non-profit organization which serves as the Brazilian sponsor of the project. The Michigan State College of Business Administration was asked by the FOA to assist in the new venture and to supply professors to work with Brazilian assistants to develop this much-needed program.

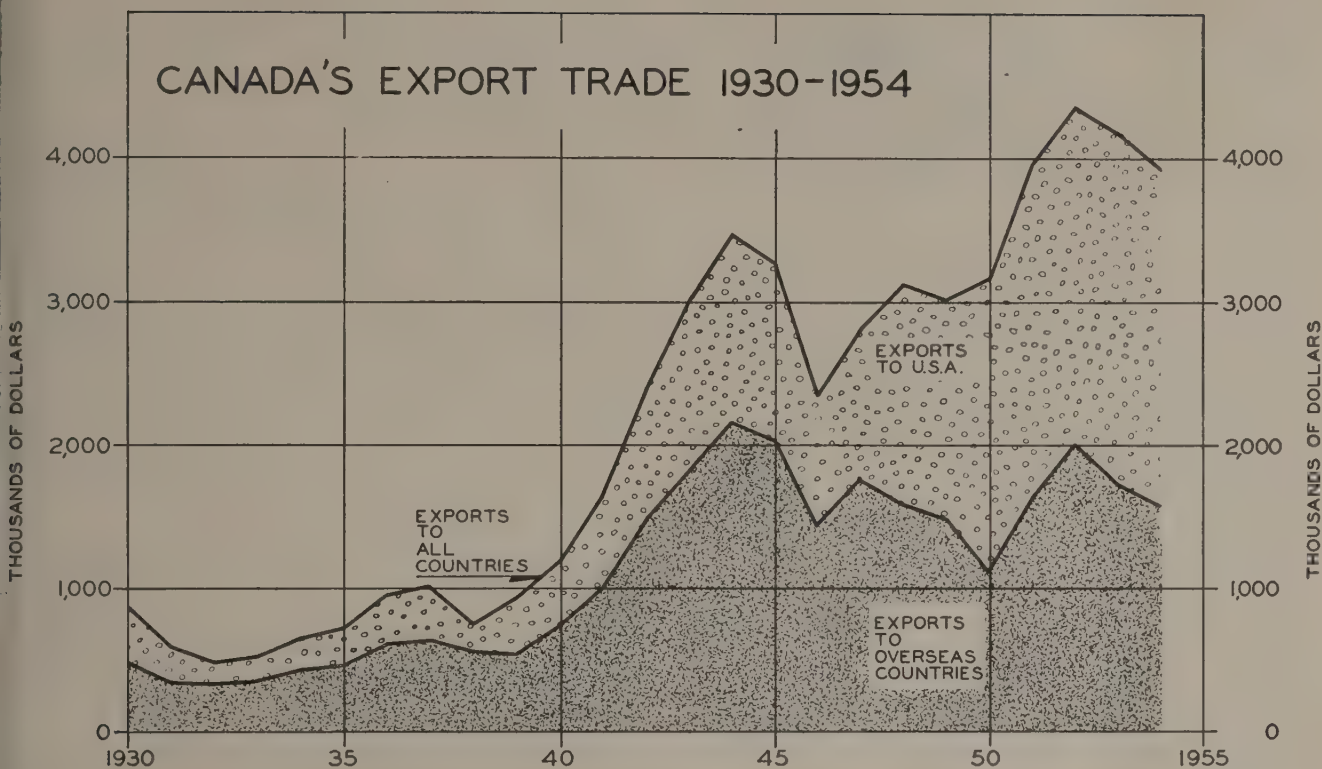
The aim of the school is to provide business leaders in Brazil with the facilities for modern training in administration. The directors recognize, however, the differences between Brazilian and North American business practices and have framed the courses to meet local conditions and requirements. The problem or case method of instruction, which is a completely new technique in Brazil, is given major emphasis. In this method, the students do the thinking and discussing under the direction of one of the U.S. professors, aided by Brazilian assistants.

Of 138 applicants who applied for the inaugural course, 41 were selected. Most of the successful candidates are owners or the sons of owners of large and medium-sized businesses, or in managerial positions. Their average age is about 35. During the course the group meets regularly with four American instructors and with Brazilian experts. These meetings are supplemented by two classes a week in business legislation, directed by Brazilian lawyers, and one session a week in current social and economic problems of Brazil, presented by Brazilian leaders in these fields.

The Brazilian assistant professors will eventually spend about 18 months undergoing graduate study at Michigan State College under U.S. Government scholarships, and will return to the school to resume broader responsibilities.

—M. P. CARSON,

Consul and Trade Commissioner, São Paulo.



Canada's Changing Export Pattern

THE POSTWAR YEARS have been, for the world, a period of uneasy peace. Nevertheless for Canada they have been years of striking economic progress. Commercially they have produced greater changes than any other decade in our peacetime history. Both the size and the pattern of our external trade have been radically altered.

Part of the story, on the export side, is pictured in the chart above. The first impression conveyed by the chart in regard to the *growth* of Canada's exports requires some toning down. The chart is based on *value*, not on *volume*, figures. Because of the rise in export prices the extent of the volume growth is exaggerated. Still the sheer increase of our exports in terms of dollars is, of itself, a fundamental and arresting feature.

The chart tells a more accurate story of the change in the export pattern. For three-quarters of a century our export trade drew its main support from overseas markets. While the British market stood out pre-eminently, the Canadian exporter sought outlets in every quarter of the globe. These overseas customers used to account for 60 per cent or more of our export sales. The United States market was always of vital

importance, but second in size and to some degree secondary in the reliance we placed upon it.

The first sharp change came in 1948 and for six years now, without a break, Canada has been selling more merchandise to the United States than to all other countries combined. It may still be too early to say that the old order has been superseded. Temporarily, at least, it has been.

The next few years should help to clarify whether Canada's major export interest lies in the overseas or in the North American markets. We shall certainly continue to have an immense interest in both. But will the chief trend be toward confirming our new trade pattern or toward swinging back in some degree to the old? Part of the answer will be found in the comparative freedom to do business which Canadian exporters enjoy in the United States, on the one hand, and in the overseas countries on the other. Where will the easing of trading conditions make its greatest headway? Or, to put it in another way, where will the resistance to more liberal commercial policies dig itself in most strongly? For Canada these are vital questions.

—OLIVER MASTER

C. M. FORSYTH-SMITH, *Commercial Secretary, Sydney.*

BANKING IN AUSTRALIA is carried on much as it is in Canada with, of course, some significant differences in the type of business undertaken and in the legal framework in which the banks operate.

Seven major trading (commercial) banks and the Commonwealth Trading Bank, a government-owned competitor, have branches throughout the Commonwealth. In addition, several small institutions, some of them state-owned, conduct banking business in localized or sectional (mainly agricultural) spheres. All the major banks have offices in London and some have branches in New Zealand, Fiji and New Guinea. In spite of the importance of overseas trade to Australia and to its banking system, none of the banks have branches in other countries; they rely on an extensive reciprocal agency system with the established banks in other countries.

The trading banks do not cater to savings accounts. This service is provided by a number of specialized savings banks, notably the Commonwealth Savings Bank, which operates throughout Australia, and by four smaller institutions. In a population of slightly over nine million at the end of June 1954 there were 6,756,000 operative savings accounts with an average

balance just short of £150. Interest is allowed on minimum monthly balances at a rate of 2½ per cent for the first £500, but for larger deposits the rate is lower to encourage subscription to government bonds. Withdrawals from the savings banks are made only in cash or, for large amounts, by bank cheque.

Tight Control Maintained

The trading banks operate under a tight system of control established by the Banking Act 1945-53 and Commonwealth Bank Act 1945-53. This virtually perpetuated the wartime system of banking control in the hands of the Treasury and the central banking section of the Commonwealth Bank.

The trading banks are obliged to follow the central bank's instructions on lending policy (sometimes in the past in specific detail) and must maintain large balances with it in a frozen "Special Account". At present these frozen funds amount to about 25 per cent of deposits. In continuance of the wartime system of exchange control the trading banks act as agents of the central bank, supervising all purchases and sales of foreign currency. This system is operated

Trading Banks in Australia, New Zealand, Fiji and the Pacific Islands

Prepared from the latest reports of the banks available at 31st December, 1953

Bank	Years estab- lished	Number of Branches**					Shareholders' Funds (Paid-up capital, reserve fund, profit and loss account and provision for final dividend)			Total deposits and other liabilities	Total assets
		Australia	New Zealand	Fiji and Pacific Islands	London	Total					
(in £ million)											
Australia and New Zealand Bank Ltd.....	118†	456	118	1	4	579	19.7	344.8	364.4		
Bank of Adelaide.....	88	68	—	—	1	69	2.6	36.5	39.1		
Bank of New South Wales.....	136	598	79	8	2	687	16.7	426.1	442.8		
Bank of New Zealand.....	92	2	162	4	1	169	10.6*	121.8*	132.3*		
Commercial Bank of Australia Ltd.....	87	359	50	—	1	410	6.7	177.3	184.0		
Commercial Banking Co. of Sydney Ltd....	119	327	—	—	2	329	9.8	192.2	202.0		
Commonwealth Trading Bank of Australia..	42	436	—	5	2	443	6.2	179.1	185.3		
English, Scottish and Australian Bank Ltd..	101	277	—	—	2	279	6.5‡	107.0‡	113.4‡		
National Bank of Australasia Ltd.....	96	458	—	—	3	461	12.8	227.5	240.4		
National Bank of New Zealand Ltd.....	81	—	78	—	2	80	3.7‡	55.6‡	59.3‡		

** Excluding Agencies and Receiving Offices.

† Australia and New Zealand Bank Limited was formed in 1951 by merger of the Bank of Australasia (established 1835) and the Union Bank of Australia Ltd. (established 1837).

‡ Sterling Currency.

* New Zealand Currency.

in accordance with the government licensing of imports and exports and with exchange control operated by the central bank in harmony with general sterling area policy.

Lending Policy

Within this pattern of control, the trading banks make loans by way of overdraft but fixed loans are virtually unknown in general commercial banking in Australia. When a customer is granted an overdraft, he may draw cheques up to an agreed amount, called a "limit", and interest is charged only on the daily balance outstanding; the current rate is a maximum of 5 per cent a year. In contrast with Canadian practice, where banks have only recently been permitted to make mortgage loans and then only for housing loans, a high proportion of advances in Australia are made on the security of mortgages over various types of property. Other usual forms of security include equitable charges over the assets of a business, assignment of bond warrants, surrender value of life policies, guarantees, liens on livestock and crops and, less attractively, bills of sale over plant or motor vehicles.

In all advance business, however, the banks place greater emphasis on the character of the borrower and the commercial soundness of the venture than on the ultimate enforcement of security. As a consequence, in Australian experience there is perhaps a greater tendency for bank advances to go beyond the conservative provision merely of working funds and to provide considerable capital for development of both rural properties and industrial firms. Although they are repayable nominally on demand, some of these overdrafts are in fact long-term loans and generally arrangements are made for their reduction by stages, according to seasonal returns or the progress of the enterprise.

Financing Overseas Trade

A large proportion of Australian production and commerce is concerned with overseas trade and this naturally forms an important part of banking business. Although some of the principal exports such as wheat and dairy products are marketed by government boards which make financial arrangements with the Commonwealth Bank, the major export, wool, is sold at open auction. Thus an important aspect of Australian banking business is the negotiation, generally under letter of credit, of wool buyers' bills on their overseas principals. Similar finance is provided for other exports, but the trading banks must account to the central bank for all their purchases of foreign currency. The bulk of importing business is financed by letters of credit established by Australian banks with their London offices or overseas agents. The Australian banks quote daily rates for the world's major currencies, but transactions must be within the

categories permitted by exchange control and, apart from working balances, the banks are not allowed to retain foreign currency.

As a part of their foreign exchange business, the Australian trading banks provide various trade and information services for their local and overseas clients. With the large element of central bank control over banking business it is largely through these services and their general standard of efficiency that the trading banks maintain their keen competition with one another and with the Commonwealth Trading Bank.

The Australian banking system has grown with the needs of a rapidly developing country and is closely identified with the progress of primary and secondary industry. As with the Canadian banks, their services for current accounts, loans, foreign business, etc., although they are based on British practice, have been modified to meet local conditions and the needs of their customers.

U.S. Veneer Production

The construction boom in the Southern States during 1953 created a steady interest in Canadian birch veneers suitable for flushwood doors and other forms of panelling. United States imports from Canada of birch and maple veneers for the year amounted to 335.4 million square feet, valued at \$8.8 million. During the same year, the Southern States produced 62.2 per cent (10,105,508 M square feet) of total United States production of veneers of all kinds. It is interesting to note that, although there was a decline in U.S. production of veneers of most species in 1953, production and imports of birch veneers of all types showed a uniform improvement over 1952. The following shows U.S. veneer production, according to species, for 1953 and 1952.

UNITED STATES VENEER PRODUCTION
(M square feet—surface measure)

	Special and face type		Commercial and utility type	
	1953	1952	1953	1952
Birch, domestic and imported	370,000	330,000	577,000	518,000
Gum	231,000	241,000	2,084,000	2,297,000
Maple, domestic and imported	87,000	79,000	397,000	460,000
Oak	405,000	....	131,000	....
Walnut, domestic and imported	160,000	....	428,000	....
Yellow poplar	56,000	48,000	870,000	874,000
Domestic, not listed	96,000	129,000	638,000	677,000
Mahogany, Khaya and Swietenia	414,000	....	....	...
Philippine woods, imported, not listed	63,000	77,000	55,000	41,000

The trend toward heavy home building will likely continue in 1955 throughout the United States, and the basic market conditions for birch veneer should remain fairly steady.

INDIAN CARDAMOM for world markets

Eighty per cent of the cardamom moving in world trade comes from India; exports of this spicy seed earned over \$2.3 million for the country in 1953, and sales promotion continues.

W. P. BIRMINGHAM, *Assistant Trade Commissioner, Bombay.*

MOST OF THE WORLD'S SUPPLY OF CARDAMOM comes from India, where the plant both grows wild and is cultivated. A tall, perennial herb of the ginger family, the cardamom sends out a number of aerial shoots from which the fruit capsules develop. The capsule contains from about eight to sixteen small, irregular-shaped seeds which have a warm, slightly pungent and highly aromatic taste.

In the East the seeds are chewed as a digestive. Western countries use them to flavour bread, cakes and cookies, as an ingredient of curry powder, and in a number of ground spice seasonings for liver sausage, pork sausage and hamburger. Some spice millers include cardamom in the formula for whole mixed pickling spice.

Although India normally provides 80 per cent of the cardamom sold abroad, Ceylon and Indo-China are also important producers and it is grown in and exported from Central America.

Cardamom is sold in a variety of forms—whole bleached, whole semi-bleached, whole green, decorticated (i.e., capsule removed) and ground. Whole cardamoms are marketed as extra superior bleached, green, fair average quality (FAQ) green, and average quality (AQ) green. There are approximately 198 medium bold bleached cardamoms to one ounce and approximately 3,168 to one pound. Cardamom should be ground fine enough to pass through a mesh 54 screen; they are packed in cases of 112 pounds.

Production and Marketing

Cardamom makes an important contribution to the agricultural economy of India's west coast states; the main production centres are the Cardamom Hills of Travancore-Cochin, the Hasan district of Mysore, and Coorg State. The plant grows wild in the forested regions of the Western Ghats at an altitude of 2,500 to 5,000 feet, where the annual rainfall is over 60 inches and the temperature ranges from 50 to 95 degrees Fahrenheit. Commercial cultivation is concentrated in the moist, evergreen forest lands of South India, where the plant is grown largely as a single crop on estates of 50 to 200 acres. The yield begins the third year after planting and averages 60 to 70 pounds

of dried capsules per acre a year. The harvesting season extends from August until January or as late as April, because the plants do not ripen uniformly.

Because most of the producing regions are inaccessible, there are no reliable statistics on Indian cardamom production. However, average annual output is estimated at 1,800 long tons, of which about 60 per cent is from Travancore-Cochin and 20 per cent from Mysore State. This figure has fluctuated in recent years; the 1953-54 crop of about 1,300 long tons was considered very poor. Prospects for 1954-55 are for a normal crop of about 2,000 long tons.

After harvesting, the fruits are dried in the sun or in artificially-heated drying houses. In the latter process, the produce retains its green colour and fetches a premium in the market; 80 per cent of Indian exports are in the form of green cardamoms. The bleached cardamom, which keeps better in storage, is produced by exposing the capsules to sulphur fumes. The dried seeds are brought to the assembling markets by the larger plantation owners themselves, or by itinerant merchants who buy from the small planters. At the markets, the usual method of sale is by auction to local merchants or agents of shippers who clean and sort the seeds into the various qualities and sometimes perform the bleaching.

Prewar, exports of cardamom from India averaged 660 long tons a year, valued at 3.2 million rupees. Since the war, exports have risen and in 1952 reached a total of 924 long tons valued at 17.9 million rupees. However, the following year brought a decline to 860 long tons worth 11.8 million rupees. Approximately 40 per cent of India's domestic production is exported; the principal varieties are Alleppey green and Coorg green, with smaller quantities of white or bleached cardamom and cardamom seeds.

Principal Markets

The leading foreign consumers of this spice in recent years have been Saudi Arabia, which in 1953 absorbed 20 per cent by volume of Indian exports; Sweden, 20 per cent, and Kuwait, 17 per cent. Saudi Arabia has been an important customer only since the beginning of World War II. It buys the better quality green

cardamom packed in new double gunny bags. Shipments of cardamom to the United States, the United Kingdom and Canada have never been large. Guatemala, which supplies cardamom in the seed form, is becoming an increasingly important competitor in the United States market. The following table illustrates the trend in exports of cardamom from India during the period 1949 to 1953, with the prewar average listed also for comparative purposes:

*Exports of Indian Cardamom

(volume in thousands of cwt., value in thousands of rupees)

	Average		1949		1953	
	Volume	Value	Volume	Value	Volume	Value
Saudi Arabia	1.0	183	2.6	2,002	3.5	2,404
Sweden	2.9	600	1.5	1,354	3.4	2,555
Kuwait					2.9	2,213
United States.....	1.1	248	.9	603	.8	547
United Kingdom	1.1	251	.6	475	.6	438
Other countries..	5.3	1,107	9.5	5,429	6.1	3,640
Total	11.4	2,389	15.1	9,863	17.3	11,797

* Figures obtained from Accounts relating to the Foreign (Sea, Air and Land) Trade and Navigation of India, prepared by the Department of Commercial Intelligence and Statistics, Calcutta.

Price Trends

Prices for cardamom on the Indian domestic market declined during World War II because of the accumulation of stocks, but after the war increased steadily as foreign trade revived. However, in 1951-1952 a recession set in, which was attributed to greater production; the average price of green cardamom at Mangalore rose from Rs.142 per cwt. during 1945-1946 to a maximum of Rs.1,279 per cwt. during 1950-1951, then declined to Rs.824 during 1952-1953. Prices for the 1953-54 crop are relatively high at about Rs.800 per cwt., but with a larger crop forecast for the coming season they are expected to fall again.

Looking Ahead

The Spices Inquiry Committee has recommended that the National Chemical Laboratory at Poona, in collaboration with the Scientific and Industrial Research Institute, undertake a program of research to determine alternative uses of cardamom and cardamom oil with a view to increasing domestic consumption. The Committee considers the development of a suitable method of estimating the area and yield of the crop and the publication on a regular basis of all-India crop forecasts to be urgent. To increase sales in the important foreign markets, it proposes that wider publicity be given to the better aroma and greater oil content of Indian cardamoms, possibly through the special export promotion agency advocated for pepper. ●

Tours of Territory

R. W. BLAKE, Commercial Secretary and Agricultural Secretary in Melbourne, Australia, plans to tour the dried vine fruits areas in Mildura (Victoria) and Renmark (South Australia) in late February or early March.

G. A. BROWNE, Commercial Secretary in Havana, Cuba, plans a tour in Cuba early in March during which he will visit Santiago de Cuba, Holguin, Camaguey, Cienfuegos, Santa Clara, Sagua la Grande, Cardenas and Matanzas.

H. E. CAMPBELL, Assistant Trade Commissioner in Johannesburg, South Africa, will make a brief visit to Durban the latter part of February.

A. W. EVANS, Trade Commissioner in Cape Town, South Africa, will visit the fishing centre of Mossell Bay, George, Kynsna area, in February.

T. R. G. FLETCHER, Trade Commissioner in Hong Kong, is planning a visit to Taiwan either late in February or early in March.

C. R. GALLOW, Consul and Trade Commissioner in New York, will pay a three-week visit to Bermuda about the end of February or early in March.

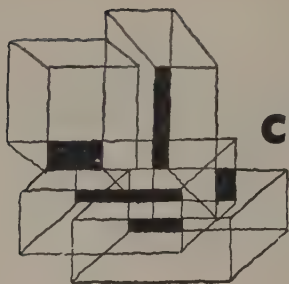
H. E. LEMIEUX, Vice Consul and Assistant Trade Commissioner, Manila, expects to visit Iloilo, Cebu, Davao and Zamboanga, Philippine Islands, the latter part of February.

P. V. McLANE, Trade Commissioner in Port-of-Spain, Trinidad, expects to visit Barbados about the middle of February.

R. R. PARLOUR, Assistant Trade Commissioner in Kingston, Jamaica, will visit British Honduras in mid-February.

W. D. WALLACE, Commercial Secretary in Djakarta, Indonesia, will be visiting Sourabaya and Macassar during the last week in February. He expects to leave Djakarta by plane on February 21st, spend about five days in Sourabaya and two in Macassar and return about March 2nd.

Businessmen interested in trade with these areas should get in touch with the officer concerned as soon as possible. Addresses of Canadian trade offices are listed in the Foreign Trade Service Directory appearing in the issue of January 22nd.



commodity notes

Argentina

NEWSPRINT—The Central Bank of Argentina has authorized import of 6,696 metric tons of newsprint from Canada and/or the United States and the Netherlands, in accordance with Circular No. 2113. Under the terms of this circular, the newsprint will be distributed among users in 1955 as determined by the secretary of the Press and Public Relations Department of the Presidency—Buenos Aires, Jan. 13.

Australia

SCRAP METAL—During 1953-54, Australia exported scrap metal worth £3,315,328, compared with £98,695 worth in 1949-50. More than half the total exports in the last financial year comprised scrap iron and steel worth £1,790,214 shipped to Japan. In 1949-50 most of the scrap exports went to the United Kingdom and the United States, and none to Japan. In addition to iron and steel, scrap comprised tinplate, copper base alloys, zinc and smelter aluminum and aluminum base alloys, copper and lead—Sydney, Jan. 6.

Brazil

COFFEE—Brazil's coffee exports in November were the highest of the current crop year. Shipments totalled 1,561,007 bags, of which 1,547,501 bags were exported abroad, 13,185 bags shipped coastwise, and 321 bags consumed on board. The sale of coffee exchange bills during November produced US\$124,346,633—São Paulo, Jan. 10.

Cuba

BREWERS' MALT—Barley malt consumed by Cuba's five breweries averages 20,000 tons a year. Canada and the United States are the main suppliers. Experimental plantings of barley in the high central part of the Island some three years ago were abandoned because the grain produced was low in yield and inferior in quality—Havana, Jan. 13.

Greece

SEED POTATOES—In 1954, for the second successive year, the Agricultural Bank of Greece bought Canadian seed potatoes to distribute to farmers' co-operatives throughout the country. The first shipment on record of Canadian seed was made last season and totalled 430 tons. These plantings were

so successful that, in spite of this season's much higher prices, the Agricultural Bank purchased 1,580 tons, about 70 per cent Sebago and the remainder Katadhin varieties. This fourfold increase may suggest even larger tonnages in future. Delivery to Greece is scheduled for January so that the seed may be distributed in good time for the early spring planting—Athens, Jan. 5.

Israel

CITRUS—The Israeli Citrus Marketing Board has estimated the 1954-55 citrus fruit crop at 9.6 million crates, which is higher than recent averages but 15 per cent below last year's bumper harvest. November to May exports are expected to total 6.5 million crates as against last season's record 8.2 million. Grapefruit and Valencia oranges should equal the 1953-54 output, but the more important Shamouti "Jaffas" will be in shorter supply. A sample shipment of 500 cases of oranges and grapefruit to Canada during the past year was well received and the Israeli Marketing Board plans to increase this number to 25,000 cases this winter season—Athens, Jan. 5.

Italy

IRON AND STEEL—Preliminary figures indicated that 360 thousand tons of steel were produced in Italy during July 1954, a record figure; the previous high was 346,800 tons in October 1953. During the first seven months of 1954, total production of steel reached 2,354,000 tons, an increase of 22.6 per cent as compared with 1,920,000 tons in the same period in 1953. In July, 130 thousand tons of cast iron were produced, bringing the total for the first seven months of 1954 to 730 thousand tons as compared with 635 thousand tons for the same period in 1953—Rome, Jan. 14.

CEMENT—The Ministry of Industry and Commerce has estimated total 1954 production of cement at approximately 8.7 million tons, compared with 8 million tons in 1953. With the coming into production of new plants and extension of existing ones, the total production potential by the end of 1954 was expected to be some 25 per cent greater than at the end of 1953—Rome, Jan. 14.

AGRICULTURAL TRACTORS—In the first five months of 1954, 9,207 new tractors—6,070 Italian-made and 3,137 foreign—were registered in Italy. The total for 1953 was 6,698, of which 3,993 were Italian and 2,705 foreign—Rome, Jan. 14.

South Africa

GOLD—Total value of gold produced in Southern Rhodesia from January to October 1954 increased by £204,299 over the same period of 1953; this figure includes premium sales. Compared with October 1953, the value of gold output in October 1954 increased by £44,793—Johannesburg, Jan. 6.

Spain

AGRICULTURAL TRACTORS—Imports of agricultural tractors are steadily increasing. Since 1953, 2,575 wheel tractors and approximately 195 of the caterpillar type, all of foreign make, have been distributed throughout Spain by the Ministry of Agriculture. Altogether, there are 22,176 tractors officially registered—Madrid, Jan. 10.

Sweden

NEW BLEACHING PLANT—The Munksjo Company in Jonkoping recently began construction of a bleaching plant at its sulphate mill in Aspa Bruk. The plant will be of the most modern type, using chlorine dioxide as one of the bleaching agents. Production of bleached kraft will be 100 tons a day or some 30,000 tons a year and is mainly intended for the export market—Stockholm, Jan. 12.

PAPER—During the first eight months of 1954, 489 thousand metric tons of paper were exported from Sweden, an increase of about 12 per cent above exports for the same period in 1953. Newsprint comprised 118 thousand tons of these exports. Sales to the United Kingdom improved slightly, and demand is also brisker in West Germany, Netherlands, Belgium and Brazil. Exports to the United States have, however, fallen off considerably and it is expected that this trend will continue; some circles believe that newsprint exports to this market will end. The French and Argentine markets are still stagnant because of import and currency restrictions—Stockholm, Jan. 12.

United Kingdom

MACHINE TOOLS—British exports of machine tools in the first half of 1954, at £10·8 million, were 76 per cent higher than in the comparable period of 1953. Orders on hand at the end of November—about £53 million for the domestic market and £20 million for exports—covered more than a year's production.

In contrast to this general picture, exports to dollar markets were more difficult. Exports to Canada fell below 1953's by about \$1·5 million, and the United States dropped from fourth to seventh most important market for British machine tools—London, Jan. 20.

United States

RUBBER—The rubber industry forecasts for 1955 indicate that total industry sales will amount to about \$5 billion. This will roughly equal the all-time record set in 1953. It is expected that final figures for 1954 will show a decline of about 3·7 per cent in comparison with the 1953 figure.

It is estimated that 1,255,000 tons of rubber will be consumed in 1955, an increase of 4 per cent. The proportion of synthetic rubber in the total will increase gradually, probably reaching 56 per cent late in the year. The proportion of synthetic declined to about 50 per cent in the third quarter of 1954. Sales of tires in the replacement field are expected to increase by about 4 per cent. In view of the forecasts by the automotive industry of six million vehicles in 1955, an increase is also expected in the original equipment market. Altogether, it is expected that sales will include 79 million passenger car tires and 12·5 million truck and bus tires, for a total of 91·5 million units. This compares with about 88 million in 1954 and 94 million in 1953—Detroit, Jan. 21.

West Germany

LOCOMOTIVES AND ROLLING STOCK—The TRANSFESA, a Spanish railway company, has ordered 1,000 closed freight cars for fruit shipment from a group of German firms. The Jung locomotive firm, Jungenthal, received an order for 27 diesel locomotives from the Egyptian National Railway. Fifteen locomotives of the same type had already been delivered during 1953 to undergo exhaustive tests. Main competitors of the German firm were Japanese and French manufacturers—Bonn, Jan. 15.

NEWSPRINT—German newsprint imports and production will set a new record in 1954; preliminary estimates place 1954 imports at 100 thousand tons compared with 84,000 tons in 1953 and 70,000 tons in 1952. As a result of effective rationalization measures subsidized by the Federal Ministry of Economics, the German domestic newsprint industry has increased its production considerably. During the first six months of 1954, production reached 109,400 tons—13·4 per cent above last year's figure. The 1953 total was 202 thousand tons, compared with 173 thousand tons in 1952 and 162 thousand tons in 1951—Bonn, Jan. 15.

Tracing Argentina's Trade Pattern

What factors determine the nature and destination of Argentina's exports and the sources from which she draws her imports? An analysis of the 1953 trade figures helps to answer that question and puts the trade policy in perspective.

C. S. BISSETT, *Commercial Counsellor, Buenos Aires.*

THE EXCELLENT HARVESTS of 1952-53, following a year of severe drought and two years of semi-drought, produced in 1953 a foreign trade picture much brighter than for some years. Heavy adverse trade balances occurred in the two previous years but this trend was reversed in 1953—the result of much larger exports and sharply curtailed imports. The following table shows the trend over the past five years.

million pesos (1.4 per cent); oilseeds, oils and by-products, 487 million (6.8 per cent); fresh fruit, 339 million (4.7 per cent); miscellaneous agricultural products, 300 million (4.2 per cent). Together these commodities accounted for 44 per cent of the total export value.

Of the livestock products group, meat led with 1,286 million pesos (18 per cent), followed by wool 1,140

Argentine Foreign Trade

	Volume ('000 tons)		Value (millions of pesos)*			
	Exports	Imports	Exports	Imports	Balance of trade	Real balance of trade
*1949	5,943.2	12,161.9	3,718.9	4,641.7	— 922.8	— 504.1
*1950	7,474.0	10,752.3	5,427.3	4,821.1	+ 606.2	+1,081.6
*1951	5,788.4	12,052.1	6,712.5	10,491.7	—3,779.2	—2,107.1
*1952	3,038.3	11,094.5	4,392.0	8,361.2	—3,969.2	—3,413.5
*1953	7,285.5	9,076.4	7,189.5	5,667.4	+1,522.1	+2,342.6

* Provisional figures.

NOTE: To determine the real balance of trade, the value of exports in each currency is adjusted at the mean rate of exchange applied to imports in the same currency, which eliminates differences due to the various rates applied.

Source: "Business Conditions in Argentina".

* 7.5 pesos equal US\$1 at the basic rate of exchange.

These five years were marked by a notable average adverse balance of trade stemming not only from reduced exports because of drought, but also from excessive imports made possible by the "without use of exchange" system. This was discontinued at the end of 1951 but its effects persisted until well into 1952.

Main Exports

Argentina has two main categories of exports of more or less equal importance as earners of foreign exchange. Together they account normally for some 90 per cent of total annual exports by value. These are first, grains and oilseeds and their products and second, animals and animal products.

Of the total 1953 exports, cereals and linseed accounted for a value of 1,889 million pesos or 27 per cent. Other important items in the agricultural category were—wheat flour and by-products, 103

million (16 per cent), hides 404 million (5.6 per cent), dairy products 292 million (4 per cent), livestock by-products and residues, 232 million (3.2 per cent) and live animals, 62 million (0.8 per cent). Together this group made up over 47 per cent of the total export value.

The only remaining group worth mentioning is forest products, composed almost wholly of quebracho extract, valued at 396 million (5.5 per cent).

The tonnages exported increased considerably more, when compared with the drought year of 1952, than did the peso values of the different exports. Unfortunately the excellent cereal crop ran into a declining international price market which reduced the sales returns appreciably—whether in foreign exchange or in goods under the compensatory trade agreements.

The official organization IAPI handled 63 per cent of the country's exports in 1953.

The nature of Argentina's main export products determines its chief export markets. Because the meat and grains groups are so important to the economy its principal customers are those countries where these products are habitually in short supply. In the majority of these, the trade is regulated by a compensatory trade agreement. In fact, these agreements were responsible for channelling roughly two-thirds of the total exports in 1953. Agreements are in force between Argentina and all of the principal European, several Latin American and some Asian countries, but with neither the United States nor Canada. As a result, about three-fourths of the exports go to soft currency areas and one-fourth to hard currency areas.

The United Kingdom ranked as the chief customer in 1953, with 19.5 per cent of the total export value. This was made up roughly of two-thirds livestock products (mainly meat and wool) and one-third agricultural products (chiefly cereal grains, linseed and oilseeds). The United States followed closely with 19 per cent of the total, composed mainly of wool, canned meats, quebracho extract, cheese, livestock by-products, oilseeds, tungsten ores and hides. Brazil was third in line with 15.5 per cent of the total—almost entirely cereal grains, linseed and fresh fruits. Italy was a poor fourth with 5.5 per cent, chiefly cereal grains and linseed. Japan followed with 4.6 per cent (mainly wool, cereal grains, linseed and quebracho extract) and Holland, 4.2 per cent, mainly cereal grains. No other country's purchases reached 4 per cent of the total export value.

Main Import Groups

The sharp curtailment of imports in 1953—they were cut to only about half of those of 1951 and two-thirds of those of 1952—played a large role in the achieving of a favourable trade balance. The 1953 import values, by main commodity groups, with comparable 1952 figures were:

(values in millions of Argentine pesos)

	1952	1953
General total	8,361.2	5,667.4
Food products	545.5	533.7
Tobacco and manufactures	2.3	1.1
Beverages	4.6	3.9
Textiles and manufactures	826.0	516.5
Chemicals and pharmaceuticals	444.6	381.1
Paper, cardboard and products	479.6	60.1
Lumber and products	710.9	399.5
Iron and manufactures	1,126.8	498.4
Machinery and vehicles	1,461.4	1,478.6
Metals and manufactures	429.3	293.6
Stones, glass, etc.	311.1	91.7
Fuels and lubricants	1,267.5	987.3
Rubber and manufactures	169.3	106.5
Others	582.4	315.5

Since the end of the war, the trend in imports has been away from finished consumer goods and toward raw and semi-processed materials and capital goods for industrial use. A determined effort is being made to

industrialize the country as rapidly as conditions and finances will permit and the moderate success which has attended this policy is reflected in the changes in the nature of imports. Of importance are the sharp decreases in textile imports, in the chemicals and pharmaceuticals group, the stones and glass group (mainly building cement), and the rubber manufactures and iron and metal manufactures groups. These all reflect the protection or progressive expansion of local industries. Imports of tobacco, beverages, paper, lumber and fuels also declined but mainly because of the need to conserve foreign exchange.

Heavy demands were made upon available exchange to provide sufficient imports to maintain the economy in working condition and also to liquidate the international debt built up in past years. Development of Argentina's oil fields and coal beds should eliminate fuel imports and save exchange and increased local production of agricultural machinery, etc., should reduce machinery imports.

Main Import Sources

Since some two-thirds of Argentina's exports in 1953 were contracted for under compensatory trade agreements, at least that percentage of the total imports had to come from the countries in which Argentine goods had been placed. The true percentage is somewhat larger because an appreciable amount of hard currency earnings, principally dollars, was not spent but was added to the reserves.

The United States was the principal supplier, with 17 per cent of the total import trade for the year. This U.S. share was composed mainly of machinery and vehicles, chemicals and pharmaceuticals, fuels and lubricants, metals and metal manufactures and rubber. Germany, with 14.5 per cent, was second; the main groups involved were machinery and vehicles, metals and metal manufactures, and chemical and pharmaceutical products. Third in line was Brazil with 11.3 per cent, chiefly coffee and lumber. The United Kingdom came fourth with 6.3 per cent, and sold practically the same products as the United States. India, with 5.6 per cent (almost wholly jute) was fifth and Chile sixth, with 5.5 per cent (mainly metals and metal manufactures, lumber and cement). No other country reached a share of 5 per cent but those worthy of mention are Italy (4.5), Kuwait (4.5), Venezuela (4.1), Dutch Antilles (3.8), Netherlands (2.7), France (2.6), and Peru (2.4). Canada's share was 1.2 per cent.

IAPI handled 20 per cent of the total imports, compared with 6 per cent in 1952 and 9 per cent in 1951. The main commodities covered were jute bagging, steel, bananas, sugar, tractors, newsprint (since released to consumers), copper, rubber, aluminum, cement, petroleum, potatoes, tin, glass and coffee.●

Export sales of toys for last year's Christmas trade were better than the West German industry expected, but growing competition from other countries may cause a levelling-off. Mechanical toys, the mainstay of the industry, make up some 75 per cent of exports; dolls, like those in the picture, account for about 10 per cent.



West Germany Sells More Toys

IAN V. MACDONALD, *Assistant Commercial Secretary, Bonn.*

WEST GERMANY'S TOY INDUSTRY moved into high gear during 1954 in anticipation of the growing Christmas export demand and, in fact, sales were even greater than the industry had expected. The question is, will total exports continue to rise this year? It is a difficult one to answer but informed circles in the industry believe that exports will soon level off. They base their prediction partly on the increasingly strong competition from other traditional producers of toys, such as Great Britain, France, and especially Japan, whose influence is already very great in Far Eastern markets and is growing in North America. In the doll trade, Hong Kong is another budding competitor.

Marketing Problems

Probably more important, however, has been the effect of the building-up of the toy industry in the United States and other important West German markets. The combination of American production techniques and low-cost raw materials has resulted in particularly severe competition for plastic toys. To protect the domestic market for their new toy industries, founded during Germany's absence from world markets, some countries have raised tariffs or otherwise restricted imports. Postwar currency difficulties have also sealed

off many of West Germany's former markets. However, trade agreements have helped to open some others.

Although more than half of West German toy exports go to European countries, a high proportion find their way to overseas markets. Of these, Canada is becoming increasingly important. Canadian imports of West German toys and dolls in 1954 will probably top the one million dollar mark for the second consecutive year, placing us in sixth place among West Germany's world-wide customers and second only to the United States among non-European markets. Other important overseas buyers are Australia, New Zealand, Venezuela and Peru. Australian toy purchases have shown the most striking rise, increasing in value from DM202 thousand in 1952 to over DM2.3 million during the first eight months of 1954, largely as a result of Australia's relaxation of import restrictions on these products.

In Europe, Germany's leading customer for toys is Sweden, followed by the Netherlands, Switzerland, Belgium, Italy and the United Kingdom. Between them, these countries take just over half of the total exports.

West German Exports of Toys and Dolls

	<i>Jan.-Aug.</i>		<i>(in '000 DM)</i>		<i>Year</i>		<i>Year</i>	
	<i>1954</i>		<i>1953</i>		<i>1952</i>		<i>1951</i>	
	<i>Toys</i>	<i>Dolls</i>	<i>Toys</i>	<i>Dolls</i>	<i>Toys</i>	<i>Dolls</i>	<i>Toys</i>	<i>Dolls</i>
United States	11,294	331	14,349	348	9,904	254	9,904	254
Sweden	7,213	1,292	12,220	1,950	7,590	1,150	7,590	1,150
Netherlands	4,292	851	5,574	1,337	5,022	1,233	5,022	1,233
Switzerland	4,207	643	7,061	1,094	5,765	885	5,765	885
Belgium	3,600	693	5,653	929	5,386	931	5,386	931
CANADA	3,554	116	4,000	239	2,818	102	2,818	102
Italy	3,351	280	5,930	375	4,172	374	4,172	374
United Kingdom	3,249	239	3,230	226	3,466	195	3,466	195
Australia	2,316	451	1,472	109	240	.....	240	.....
Austria	1,702	125	1,805	172	543	129	543	129
Venezuela	679	387	1,824	857	1,779	409	1,779	409
Peru	426	161	1,039	224	911	202	911	202
Others	8,493	803	14,188	1,421	11,894	1,077	11,894	1,077
Total	54,376	6,372	78,345	9,281	59,490	6,941	59,490	6,941

Mechanical toys are the mainstay of the West Germany industry and account for about 75 per cent of exports; dolls make up about 10 per cent of the total.

Location of Industry

The origins of this interesting German industry have never been accurately traced, although it is known that "Nuremberg toys" had an international reputation as early as the fifteenth century. Some of the early techniques and designs are still employed, but generally speaking the German firms—especially the more important ones—have been quick to adopt new machinery and methods. One of the milestones in the history of the industry was the appearance of stamping machinery making possible, as early as the 1880's, the manufacture of the tinplate and mechanical toys on which a large number of modern German manufacturers have concentrated.

Nuremberg has become almost synonymous with the toy industry in the Federal Republic and the fame of this city has been enhanced by the establishment there of the official annual Toy Fair. Other chief centre of the industry is in Baden-Wuerttemberg, an area with a reputation for first-class branded products. The Erzgebirge area, which specialized for centuries in the hand-crafting of wooden toys, has been lost to the East because of the political and economic division of the country. However, a number of refugee firms have sprung up in West Germany and the traditional Erzgebirge patterns have been maintained.

The focal point of the doll trade is the Coburg-Neustadt-Moenchroeder triangle. A considerable proportion of the population in this area depends on the doll factories for a livelihood. Dolls of better quality still require a great deal of handwork and much of this is done by outworkers in the neighbouring cottages.

Because of the multitude of small specialist firms in the industry and the seasonal nature of the trade and consequent importance of financing, very few of the German toy manufacturers sell direct. Instead, they deal through wholesalers, commission merchants or exporters, frequently on an exclusive basis. Only the larger companies with their own branded lines of toys have developed the practice of direct sale. The wide seasonal fluctuations in demand are reflected clearly at the manufacturing level where production peaks anticipate by up to four months increases in domestic retail sales and export demand. Moderating factors are the year-round or summer retail demand for some types of toys, and the possibility of obtaining orders at the Nuremberg Toy Fair (in early March) and the other West German spring fairs. It is the Christmas season, however, which will continue to provide the basic impetus to the industry's sales both at home and abroad.

Data for Exporters

The International Trade Relations Branch of the Department of Trade and Commerce has prepared bulletins covering shipping documents and customs regulations of the following countries: Austria, Belgium, Belgian Congo, Bolivia, Brazil, Chile, Colombia, Cuba, Denmark, Dominican Republic, Egypt, Finland, France, Western Germany, Greece, Guatemala, Haiti, Iceland, Indonesia, Israel, Italy, Mexico, Netherlands, Netherlands Antilles, Nicaragua, Norway, Panama, Peru, Surinam (Netherlands Guiana), Sweden, Switzerland, United States and Venezuela.

If you wish copies, write to the Branch. Data on other countries will be compiled from time to time and will be added to this list.

general notes

Australia

TELEVISION BROADCASTING STATION—A company with a capital of £1 million is to be formed in Melbourne to apply for a commercial television broadcasting licence to serve the Melbourne area. The members of this group include newspaper publishers, cinema and live theatre owners, commercial radio stations, and a leading Australian manufacturer of electronic equipment. It is the most representative group formed for the purpose in Australia. The facilities of Fox Movietone Films and Commonwealth Filmcraft Laboratories Pty. Ltd., will also be available to the new company—Melbourne, Jan. 7.

Brazil

PAPER MILL—The Companhia Paulista de Celulose (COPASE) has announced plans to install one of the largest paper mills in Latin America in the State of São Paulo. The company has already purchased a factory site in the municipality of Ribeirão Preto—São Paulo, Jan. 12.

STATE BUDGET DEFICIT—The State of São Paulo Legislature has approved the second reading of the proposed 1955 budget. Since revenue has been estimated at Cr.\$19,274,200,000 and expenditures at Cr.\$22,108,682,651, the State will face a probable budget deficit in 1955 of Cr.\$2,834,482,651—São Paulo, Jan. 12.

Cuba

MINING LABORATORY—Arrangements have been completed to build Cuba's first mining laboratory. The laboratory is expected to give greater impetus to the Cuban mining industry and to save considerable time and expense in the examination and analysis of ores which hitherto have been sent to the United States for this purpose. It is also hoped that large deposits of low-grade ores can now be profitably developed—Havana, Jan. 10.

France

AUTOMOBILE MAKERS MERGE—The French subsidiary of the Ford Motor Company has been purchased by the SIMCA concern and will be operated by the latter. The two chains of distributors have been unified under the SIMCA name. These two firms ranked fourth and fifth in the production of private cars last year and accounted for about 20 per cent of the total French production. Two

basic models will be produced by the new united company—a fast four-seater of a minimum size, and a medium-sized (by European standards) six-seater, with a V-eight engine, which is reported to have been designed in Detroit before the merger took place—Paris, Jan. 12.

TOY INDUSTRY—With a labour force of some 15,000, the French toy industry has an annual production of about \$67 million at factory value. Paris is the principal manufacturing region, turning out almost two toys out of three produced in France. Metal toys still enjoy the largest share of the market at 30 per cent of total production, followed by plastic (including rubber), 30 per cent; dolls, 20 per cent, and wood, 15 per cent.

Almost all toys manufactured in France are sold on the domestic market. Quota and exchange controls eliminate imports almost completely and the high prices of French toys limit exports to about \$1.5 million a year—Paris, Jan. 12.

India

ATOMIC ENERGY REACTORS—Following the organization of an Atomic Energy Establishment, the Government of India is proceeding with plans to set up an atomic energy reactor for research purposes. Installation is expected to take place in about two years, at a cost of Rs.15 million. The site chosen is Trombay, a 230-acre area in Bombay harbour. The Government is also considering a plan to design and set up a reactor for utilizing thorium, of which India possesses the world's largest deposits. A plan for the production of "heavy water" in the locality of the Bhakra-Nangal hydro-electric scheme, is also under consideration—New Delhi, Jan. 10.

Indonesia

EXPORT-IMPORT BANK LOAN—The Indonesian Parliament has approved the proposed loan of \$14 million from the Export-Import Bank, Washington, D.C., for the construction of a cement factory near Sourabaya—Djakarta, Jan. 3.

Philippines

TEXTILE PLANT—Establishment of a plant capitalized at over eight million pesos (US\$4 million) for the manufacture of synthetic fabrics, principally

rayon, was announced recently. The plant is operated by the Textile Corporation of the Philippines and is financed by American and Filipino interests. The new industry will employ 300 persons initially, and about 1,000 eventually. It is expected to produce about 16 million pesos (US\$8 million) worth of textiles a year at full capacity. It has been classified by the Philippine Department of Finance as a "new and necessary industry" and as such enjoys certain tax exemptions—Manila, Jan. 5.

South Africa

BRITISH INVESTMENT—British investment in South Africa since the war is estimated to exceed £400 million. Although the gold mining and uranium industry accounts for a major share of the investment, new capital issues on the London stock exchange for power supplies and secondary industry have been substantial. The recently formed Commonwealth Development Finance Company, of which the Bank of England is a shareholder, is contributing to the inflow. Two of its first three loans were made in South Africa; one of some £2 million to the government-owned Electricity Supply Commission, the other of £1.5 million to the new rayon pulp factory in Natal—Cape Town, Jan. 14.

United Kingdom

EMPLOYMENT HIGH—The latest United Kingdom statistics on employment reveal that 340 thousand unfilled jobs were available on October 20th, while the number of registered unemployed was only 250 thousand. Only in Scotland, Wales and northern England are there more unemployed than job vacancies. The total number of persons in civil employment was 22,632,000 at the end of October 1954, up 249 thousand from October 1953—London, Jan. 20.

EXPORTS—Preliminary United Kingdom foreign trade statistics for November are substantially distorted because of the dock strike which affected United Kingdom ports during October. Imports in November totalled £333.8 million, the highest figure since the first quarter of 1952. Total exports, at £201.9 million, were the lowest for over two years. United Kingdom exports to North America in November were £24 million, equally divided between the United States and Canada. The very high adverse trade balance of over £130 million in November has raised the adverse balance for the first eleven months of 1954 to £560 million—London, Jan. 20.

GOLD AND DOLLAR RESERVES—After payments during 1954 of \$416 million on the United States and Canadian postwar loans, and repayments to the

International Monetary Fund and to European Payments Union countries, the sterling area reserves at the end of the year were \$244 million higher than in December 1953 and totalled \$2,762 million.

During December the reserves fell \$163 million. This was more than accounted for by payments of \$189 million to Canada and the United States on postwar credits. After taking these payments and receipts of \$8 million in United States Defence Aid and of \$1 million in payment of November European Payments Union settlements, there remained a surplus of \$17 million in the sterling area's ordinary trade and currency movements in December—London, Jan. 20.

United States

INDUSTRIAL INVESTMENT—Investment in industrial plant in the Chicago area totalled \$18,209,000 in October 1954, compared with \$11,720,000 in October 1953. Total investment for the first nine months of 1954 stood at \$203,990,000, compared with \$115,695,000 for the same period in 1953. These figures include expenditures for the construction of new industrial plant, expansion of existing buildings and the acquisition of land or buildings for industrial purposes—Chicago, Jan. 21.

VARIETY STORES—The variety store, direct descendant of the old 15-cent store, is going through a period of rejuvenation. The trend in the past few years has been to self-service, and it is now estimated that over one-half of the variety stores in the United States have some form of self-service. Another development is the increasing use of advertising in newspapers and magazines and on radio and television. More and more branches are being opened in suburban shopping centres, streamlined packaging is being adopted, and new lines are being added, the fastest growing of which are pet and horticultural supplies. Some of the chains now rank among the country's biggest restaurant operators and several stores even operate regular bakery, food and meat departments—New York, Jan. 24.

TREND IN SUPERMARKETS—Although not unanimous, there is a growing opinion among supermarket operators here that they must be selective about the non-food merchandise they stock. The tendency for supermarkets to sell everything from hardware and books to clothing and costume jewellery is hitting some snags. While sales of non-food items are still growing spectacularly for many of these stores, experience is showing that some create warehousing problems, others need their own special sales approach, and the handling of style items can be risky. Many operators are taking a long look at their inventories and are combing out the problem lines—New York, Jan. 24.

Portugal: the 1954 picture

Excellent wheat and rice crops, rise in volume and value of exports, smaller unfavourable trade balance with dollar area were highlights of first eight months of 1954. Germany competing strongly with U.K. and U.S., Portugal's traditional suppliers. Imports from Canada down but expected to improve.

L. MOORE COSGRAVE, *Commercial Counsellor, Lisbon.*

THE OVERALL PICTURE in Portugal during the first eight months of 1954 was one of continuing progress and stability, both in the country itself and in its overseas provinces. This progress was achieved despite certain setbacks such as a long drought and lower world prices for some of the principal Portuguese raw materials. The balance of payments at the end of the first half of 1954 showed a surplus of 912 thousand contos, compared with a surplus of 688 thousand contos for the first half of 1953.

Agricultural Production

Agriculture in 1954 has had both its successes and its setbacks. The wheat crop is expected to be 7 per cent larger than it was in 1953 and—at an estimated 707 thousand tons—50 per cent above the average for the last ten years. The rice crop too is good; the forecast is for a crop of 135 thousand tons, 40 per cent larger than in '53. If this forecast proves true, Portugal will have between 12,000 and 15,000 tons for export. Last year she sold abroad 10,845 tons, mainly to Japan.

The maize and olive oil crops have suffered from the long drought. Maize grown on non-irrigated land will give a poor return but on irrigated land the harvest will top that of 1953. Olive oil production is expected to reach about 50 million hectolitres and recent rains will probably not help. Preliminary figures for wine production put it at 11 million hectolitres, but prices are expected to be lower.

Industrial Record

Industrial production has varied considerably in the different areas of Portugal although it has tended to improve in recent months, except for those industries, (mainly extractive) which have been affected by smaller demand in world markets.

Output of tin in the eight months of 1954 has risen considerably, thanks to better demand and higher prices; coal production has remained unchanged and production of both wolfram and hemitites has gone down. The cork industry increased its output in the first half of 1954, with the exception of corkboard for insulation. The reason for this drop was the heavy exports of raw cork in 1952 and 1953. The textile

industry, both in the cotton and artificial fibre fields, has picked up.

Foreign Trade

Portuguese exports from January-August 1954 totalled 1.3 million tons, valued at 4.5 million contos, a rise of 10 per cent in tonnage and 20 per cent in value compared with the same period of 1953. Imports too rose—to 2.0 million tons valued at 6.3 million contos, compared with 1.8 million tons valued at 5.8 million contos in 1953. The unfavourable trade balance decreased by about 7 per cent.

A review of Portugal's chief exports indicates that cork shipments rose 7 per cent in volume and 28 per cent in value, with a total of 968 thousand contos for January-August 1954, compared with the 756 thousand contos for 1953. Shipments abroad of table wines for 1954 to date show an increase of 38.5 per cent in volume and 15 per cent in value compared with 1953, with Portugal's overseas provinces absorbing approximately 90 per cent. From Portugal's standpoint, it is encouraging to note the specific increase in both volume and value in exports of port wine.

Canned fish exports also rose from 16,000 to 19,000 tons during the period under review, with the value going from 241 thousand contos to 278 thousand contos. Timber exports—chiefly mine props—rose by 28,000 tons.

Of other export products, overseas sales of copper, pyrites, olive oil, shelled almonds, Madeira embroideries and paper pulp rose, and sales of rosinous products, wool and brandy fell slightly.

Imports in the first eight months of '54 increased more in volume than in value and average prices of imports declined. This was particularly true of such raw materials as wool, skins, oilseeds, coal, copper, iron and steel, ammonium sulphate and some foodstuffs, especially wheat and sugar. It also held good for tobacco, tubes for motor vehicles, paper, and motor cars. Cotton, wood pulp, petroleum, fuel oil and trucks were up to 10 per cent over 1953.

Portugal's overseas provinces, particularly Angola and Mozambique, supplied 16 per cent of the imports

	IMPORTS BY COUNTRIES (Contos)		EXPORTS BY COUNTRIES (Contos)	
	Jan.-Aug. 1954	Jan.-Aug. 1953	Jan.-Aug. 1954	Jan.-Aug. 1953
United Kingdom	1,004,331	971,328	623,270	460,726
Germany	839,272	579,229	274,484	241,783
United States	497,064	654,759	501,947	641,860
France	443,640	352,645	158,887	126,935
Italy	171,549	181,273	101,201	115,330
Canada	56,490	90,002	36,109	40,617

during the period under review and absorbed 27 per cent of Portugal's total exports. These figures approximate closely those of the same period in 1952. OEEC countries and their territories absorbed 44 per cent of Portugal's exports and supplied 63 per cent of imports, a slight increase over the 41 per cent and 61 per cent, respectively, of 1953.

The dollar area (United States and Canada) supplied about 9 per cent of Portuguese imports and absorbed 12 per cent of the exports during the January-August period of this year—a decrease from the 15 per cent and 18 per cent of the same period of 1953. Thus, the unfavourable balance with the dollar area dropped from 58,400 contos in 1953 to 15,500 contos in 1954.

An indication of the trend of Portugal's trade with her principal markets is illustrated in the following brief table of main commodities. It shows that West

Comparative figures for the principal commodities exported from Canada to Portugal for the period under review are:

	1954	1953
Antibiotics	1,237 Contos	655 Contos
Wheat flour	696 Metric tons	342 Metric tons
Wheat	9,602 Tons	15,268 Tons
Codfish	1,360 "	1,772 "
Agricultural machinery	238 Contos	729 Contos
Spare parts for machinery	357 "	299 "
Unspecified medical drugs	803 "	1,040 "
Tobacco leaf	8,136 Kilos	

As a result of the Canada-Portugal trade treaty, sales of up to 3,000 tons of codfish should be completed by the end of 1954; sales of newsprint, wood pulp and industrial machinery should improve Canada's position in metropolitan Portugal.

Imports of Main Commodities Jan.-Aug., 1954

		U.K.	Germany	Jan.-Aug. 1954 U.S.A.	France	Italy	Canada
Cod	Tons	384			1,480		1,360
Radio receivers	No.	2,621	14,253	153	286	634	
Agricultural machinery	Contos	7,715	1,897	5,073	2,936	451	238
Trucks	No.	1,254	895	13	318	21	
Cars	No.	1,418	3,244	393	557	581	
Special cars	No.	248	114	55	15	7	
Tractors	No.	282	51	83		14	

Germany is offering strong competition to Portugal's traditional sources of supply, particularly the United Kingdom and the United States.

Trade with Canada

Imports from Canada during the first eight months of 1954 amounted to 56,490 contos (Can.\$1,920,660); exports to Canada reached 36,109 contos (Can.\$1,227,706), compared with 90,002 contos (Can.\$3,060,068) and 40,617 contos (Can.\$1,380,978) respectively in 1953.

The marked decrease in sales to Portugal is largely accounted for by smaller sales of wheat and codfish. Portuguese millers prefer Canadian hard wheat for blending but quota exchanges of port wine for French wheat and allocation of FOA funds for American wheat displaced normal purchases of Canadian wheat.

The principal products exported by Portugal to Canada during the period under review were cork and cork products, Madeira embroideries, table wines, port and fortified wines, canned fish, shelled almonds, slates, certain iron and steel products, gold and silverware, ceramics and glassware.

It is worth noting that Canadian businessmen are now visiting Portugal in greater numbers and such visits are giving good results both in actual sales and in the development of goodwill.

Admittedly, continued restriction in the allocation of dollars and Portugal's high credit position in the European Payments Union react unfavourably on Canadian sales, but with increased liberalization of dollar imports and increasing dollar reserves, these should improve. ●

South Africa's Coal Mining Industry

Cheapest coal in the world is mined from South Africa's extensive reserves and provides the backbone for the country's growing industries; exports will rise when the present transportation problems are solved.

A. W. EVANS, *Trade Commissioner, Cape Town.*

CHEAP COAL forms the basis of South Africa's industrial expansion and, consequently, the coal mining industry is becoming increasingly important. The Union has vast reserves of coal at depths which are easy to exploit. Last year the value of coal produced exceeded that of diamonds, and it can readily become even larger if the transportation bottleneck is remedied.

Lacking oil and natural gas, and with little in the way of hydro power resources, South Africa depends on coal to provide fuel and power as well as serve as a raw material for industry. Coal is used to produce practically every kilowatt of electricity, every pound of steam, every cubic foot of gas used in the country—and it is the cheapest coal in the world. Coal is the prime mover of the railway system, the backbone of the iron and steel, explosives and fertilizer industries, and the basis of the plan to produce petroleum.

Producing Areas

The main coal-producing areas of South Africa are:

- The Witbank-Middleburg area of the Transvaal, 80-90 miles northeast of Johannesburg, with 25 collieries.
- The Cornelia-Coalbrook field to the south of Johannesburg in the Orange Free State, with two collieries south and west of Vereeniging.
- The district of Grootvlei near Heidelberg in the South Rand, 40 miles east of Johannesburg, with one colliery.
- The Ermelo field south-east of the Witbank area, with five collieries.
- The Vierfontein district in the northwest corner of the Free State, with one colliery.
- The Klip River field and the Vryheid field in Natal.

Altogether, South Africa has a total of 62 collieries in the Transvaal, the Orange Free State and Natal.

South African mines produce a wide variety of coal to meet different requirements—for steam raising in generating plants and for locomotion, for cooking, for

by-products and for oil, as well as for bunker purposes and export.

Qualities and Uses

The important Witbank coal field possesses no fewer than five seams, four of which are worked. The top seam mainly provides blend coking coal which is mixed with the "straight" coking coal from Natal in making metallurgical coke. The next seam contains low-grade coal suitable for domestic use and power generation; the next is generally too thin to be worked. The second lowest is a main seam of high-grade steam coal used by the gold mines, railways and power stations. The lowest seam is not worked to any extent because of varied values and widths, except in one isolated case where it is the only seam worked. In places, the values of the bottom seam are good and it is sufficiently thick to be worked with the coal of the main seam overhead. Coal seams are numbered according to their age; therefore, No. 1 seam is the deepest and the oldest, No. 5 seam is the nearest to the surface.

The South Rand area of the Transvaal and the Cornelia-Coalbrook area of the Orange Free State produce low-grade coal which is supplied to nearby power stations. Because of its combustion qualities, it also makes an excellent domestic fuel. The Breyten-Ermelo district of the Transvaal produces a medium-grade coal which is mainly put to industrial and domestic uses. The Vierfontein area of the Orange Free State has only low-grade coal.

The Natal coalfield is economically important because it supplies, in addition to other consumers, the port of Durban where it is used for bunkers and for the export trade. This high-grade bituminous coal is also used for coking plants, for gas-making in power stations and by the railways. Natal coal is exported to many parts of the world; East Africa, the Middle East, the Far East, certain Mediterranean countries and Pakistan have all purchased it. In addition, deposits of anthracite coal are worked to a limited extent for shipment to Italy, France and the Far East, and for the special

requirements of the inland market. Once the shortage of rail transportation is overcome, coal should move to the markets of the world in steadily increasing volume.

Generally, the coal in the areas mentioned is found at relatively shallow depths. The deepest coal workings located in Natal are only 700 feet below the surface. The most modern methods of mining are used and some mines even have push-button elevators like those found in large office buildings.

The major proportion of South Africa's coal output of 30.5 million tons a year is produced by the "board-and-pillar" or "drive-and-split" method. The amount won varies from 50 to 80 per cent, the remainder is left behind in the form of pillars as support. Mechanical cutters are used to assist in breaking out the virgin coal, and it is transported to the surface either in tippie cars or by conveyor belt. In some mines the haul and hoist system is used. At the surface the coal is screened and washed and then starts on its journey to one of the many uses which modern industry has found for it.

Cuba Develops the Kenaf Industry *-Good*

G. A. BROWNE, *Commercial Secretary, Havana.*

AN ENTIRELY NEW AND MUCH-NEEDED INDUSTRY is being developed in Cuba—the growing and processing of kenaf, a plant fibre which can be used as a substitute for jute in the manufacture of bags. Kenaf's value has been recognized for a long time, but only in the last five years has its industrial application been seriously studied. The Cuban Ministry of Agriculture, in co-operation with the United States Department of Agriculture, has been experimenting with kenaf for ten years and now is able to plant it in commercial quantities.

The importance of this new industry to Cuba's economy lies in the fact that production of the great sugar crop takes only four to six months, leaving large numbers of sugar workers without employment for the rest of the year. If Cuba's bagging fibre requirements, currently running at about 110 million pounds a year, were met by kenaf rather than jute, 10,000 field labourers could be employed for three months during the dead season between the end of sugar production and the beginning of the next cane harvest. The plant can be grown in areas adjacent to the centrally-located sugar mills where water, transportation and power are available.

Growing and Processing

Kenaf (*hibiscus cannabinus* L.) was introduced into Cuba in 1942. Subsequently, varieties from Formosa, Java, El Salvador and Peru were crossbred to develop the disease-resistant strains most suitable to the island. Three varieties have now been obtained for commercial development—Cuba 797, Maceo and Cubano 105.

The kenaf plant grows to a height of nine to ten feet with a straight, clear, fibre-bearing stalk from one-half to one inch in diameter, and at maturity bears a large pale yellow flower with a purple centre. It is gener-

ally planted in Cuba at the beginning of the rainy season and cut and harvested in October. Neutral soil of average fertility yields an average of 1,000 pounds of air-dried fibre per acre.

The fibre is extracted in a process of cutting and rib-boning the stalks, air drying, retting, chemically or mechanically separating the fibre, mechanical drying, and baling of the fibre hanks which are then ready for processing into yarn. Standard textile carding, spinning and weaving machinery can be readily adapted to this last step.

The residue from the kenaf stalks can be used to augment the supplies of bagasse (sugar cane waste) from which a variety of commercial oils, waxes, plastics and celluloses can be derived. Production of these would mean new industries and further diversification of the economy.

The present cost of a yard of kenaf burlap in Cuba is 16 to 18 cents for seven ounces and 18 to 21 cents for 10 ounces, compared with Indian jute fabric at 10 and 13 cents New York. As kenaf technology advances, the price will probably become even more competitive, a prerequisite for any major increase in production. When that point is reached there should be interesting opportunities for manufacturers of kenaf processing machinery and component parts, balers, and chemicals and equipment for kenaf's associated applications, to mention only the industry's most apparent requirements. However, unless there is a change in present comparative prices, kenaf's greatest potential could be realized only in the event of an interruption in the supply of jute-bagging material to the U.S. market, which consumes about 650 million pounds a year. ●

trade and tariff regulations

Australia

REPRESENTATIONS RESPECTING THE TARIFF—The Australian Minister for Trade and Customs has requested the Tariff Board to inquire and report on the following:

What rates of duty should be imposed on *portable electric hand tools* (the present tariff items and rates of duty are shown below):

(a) Tariff item 176 (U) (2)

Portable electric hand tools, other than coal and stone drilling machines, having the driving unit in the hand piece, for drilling, grinding, polishing or sanding, including motors.

Rates of duty:

British preferential	12½ per cent
Most-favoured-nation	25 per cent
General	30 per cent

(b) Tariff item 176 (U) (3)

Other portable electric hand tools, including motors which do not exceed 1 h.p.

Rates of duty:

British preferential	Free
Most-favoured-nation	12½ per cent
General	12½ per cent

Canada, the United Kingdom and other British countries are subject to the British preferential tariff in all the items shown above. The United States and most other countries are subject to the most-favoured-nation tariff.

Canadian firms who are exporting any of the products listed above to Australia may wish to have their views on these tariff questions placed before the Tariff Board. The most effective method of doing this would be for Canadian firms to request their Australian agents to act on their behalf. Firms wishing to take action should do so as soon as possible because tariff inquiries normally begin in Australia soon after the announcements are made.

British Guiana

LICENSING ANNOUNCEMENT—The Controller of Supplies and Prices, British Guiana, advised on January 6th that lumber had been added to the list of goods which may be imported under World Open General Licence.

Canada

REINSTATEMENT OF TEMPORARY CUSTOMS FORM B.13 FOR EXPORT ENTRIES—Canadian exporters are advised that the use of the Temporary Customs Export Entry Form B.13 has been rein-

stated. It was found that the use of the one and only final B.13 entry form was, in some cases, delaying the dispatch of export shipments.

Instructions issued by the Customs Division of the Department of National Revenue to Collectors of Customs to this effect are dated December 10, 1954.

India

IMPORT POLICY FOR JANUARY-JUNE 1955—

The Government of India has now announced the import policy which will be followed for the first six months of 1955. With the exception of one or two features, the new policy follows more or less the same lines as the two previous half-year policies. Import restrictions have been eased for certain items, while for other goods imports have become more difficult.

Some imports from the dollar area have been liberalized. This has been effected by two different methods. In the first place, some quotas for the import from the dollar area have been increased. The following table indicates the items for which increased quotas have been established:

Iron or steel coated and uncoated rods, wire, foil and strip for gas welding and brazing
Tools and cutters tipped with tungsten carbide solid or inserted type and tungsten carbide tips
Milling cutters, gear cutters, end mills, slitting saws, taps, dies, and other thread forming tools
Metal working saws (including power-operated hacksaw blades), wire drawing dies and other unspecified metal working tools (machine worked)
Machine worked saws
Machine worked cutters
Tube expanders, hand saws other than fret or piercing saws
Hack saw blades
Adjustable hand reamers or expanding reamers
Twist drills and reamers less than 3/64" diameter
Carbide tipped drills and reamers
Belt cement
Jute and hemp machinery
Hydrosulphite of soda
Prime-movers, boilers, locomotive engines, and tenders for the same, portable engines (including fire engines) and other unspecified machines for the textile industries other than jute and hemp
Folding, plating, stamping, cloth and yarn baling machines when required for textile industries other than jute and hemp
Confectionery including chocolate covertures in ½ lb. slabs
New antibiotics—
 (i) antibiotics in bulk
 (ii) antibiotics bottled
Perfumed spirit
Exposed cinematograph films
Raw flax, and all other unspecified manufactured textile materials, excluding raw jute
Component parts of wireless reception instruments and apparatus
Thermoplastic moulding powder.

The other method has been to permit holders of soft currency import licences to use a portion of their licences for imports from the dollar area. The purpose behind this new regulation seems to be to permit licence holders to utilize their licences, at least in part, by purchasing in the cheapest market. The following is a list of the new items for which provision has been made for imports from the dollar area:

Asbestos manufactures
 Fractional horse power motors, i.e., motors of 1 h.p. suitable for D.C. supply or single phase
 Centrifugal pumps and/or pumping sets with horizontal spindle
 Centrifugal pumps, and/or pumping sets with vertical spindle
 Non-centrifugal pumps and/or pumping sets
 Spare parts of power driven pumps excluding trailer pumps
 Unspecified electric control gear and transmission gear
 Electrical earthenware and porcelain
 Hops
 Cigarettes
 Saccharine
 Natural essential oils
 Synthetic essential oils
 Camphor
 Certain fireworks
 Articles, other than cutlery and surgical instruments plated with gold or silver
 Cutlery plated with gold or silver
 Cutlery, all sorts, not otherwise specified, excluding safety razor blades
 Wireless instruments and apparatus including wireless transmission apparatus
 Playing cards
 Buttons, metal including buttons steel and cufflinks made of metal other than gold and silver
 Buttons other than metal
 Complete lifts
 Water meters
 Plastic frames
 Metallic frames including sides and fronts thereof when imported separately, and spectacles with metallic frames
 Polyvinyl chloride compositions including moulding powder—New Delhi, Jan. 5.

Indonesia

BAN ON RADIO PARTS TO CONTINUE—The Ministry of Economic Affairs reports that the present ban on imports of radio parts will continue in force because locally manufactured parts are sufficient to meet the demand—Djakarta, Dec. 28.

Ireland

IMPORT CONTROLS—By nine Orders of the Government of the Republic of Ireland, issued under the Control of Imports Acts 1934 and 1937, further quotas and quota periods have been announced as follows:

Certain boots and shoes (other than rubber): 20,000 pairs.

Rubber-proofed clothing: 1,000 articles.

Certain completely or substantially assembled motor car chassis with bodies or body shells attached: 64 articles.

Any completely or substantially assembled motor vehicle chassis without a body or body shell attached thereto: 50 articles.

Certain completely or substantially assembled road vehicle bodies or road vehicle body shells, imported otherwise than attached to chassis: 50 articles.

Certain motor car body parts: 10 articles.

Certain hats, caps, hoods and shapes (costing less than 21/- each): 30,000 articles.

The period fixed in all of the above cases extends from January 1, 1955, to December 31, 1955. In every case the quota is unchanged from the previous twelve months' period.

Certain metal screws: 20,000 gross for the period January 1, 1955, to June 30, 1955.

Certain completely or substantially assembled mechanically propelled vehicles: 26 articles for the quota period January 1, 1955, to December 31, 1955, as against 24 articles for previous similar quota period—Dublin, Dec. 30.

Jamaica

LICENSING ANNOUNCEMENT—The competent authority, Jamaica, announced on January 3rd that books and periodicals have been added to the schedule of the World Open General Licence. This means that individual licences are no longer required to import these items.

The conditions on which World Open General Licence is granted are that the goods shall be wholly produced in the countries from which they are exported, the importer shall be required to produce a Certificate of Origin for such imports and that prior approval of the Exchange Control Authorities, the Jamaica Defence (Finance) Board, shall be secured for any payment for imports under the licence required to be made to a country other than the country of origin of the goods.

Norway

RESTRICTIONS ON IMPORTS FROM DOLLAR AREA MODIFIED—Some time ago the Norwegian authorities conducted an examination into the probable effect of extending to the dollar area the present "free-list" applying to imports from OEEC countries. The study was done with an eye on the international discussions which are taking place on convertibility. Now that the introduction of convertibility appears to have been put off into the future, however, it has been decided to retain the present regulations governing dollar imports.

Although no change in overall policy has been made, the Ministry of Commerce advises that its Directorate of Import Control is now in fact bearing down less heavily on applications for permits to import from

dollar sources in its day-to-day dealings with applicants for import licences. Thus, says the Ministry, the system governing dollar imports has been modified to the extent that raw and semi-finished materials for industry, industrial equipment, machinery and the like (but not consumer goods), which are free-listed for the West European countries are, as a general rule, allowed to be imported from the dollar areas *in those cases where importers can show advantages in price, quality or delivery.*

In 1952, Norway had a current surplus with the dollar countries of \$11 million. In 1953 it was double this amount and for the first half of 1954 it totalled \$18 million. At present, half Norway's deficit with EPU must be covered in dollars and this has undoubtedly had a strong influence on Norwegian thinking about the relaxation of dollar import restrictions—Oslo, Jan. 10.

South Africa

REPRESENTATIONS RESPECTING THE TARIFF—It was announced on December 31, 1954, that the South African Board of Trade and Industries had received the following representations respecting the tariff:

Increase in duty on:

1. The goods falling under item 296(c), viz., account books, exercise books and copy books; stationery and forms in books, pads or loose; diaries n.e.e.; delivery, manifold, and index books; bank cheques, drafts, promissory notes, bills of exchange and similar forms; receipt forms; reminder slips; scrip, share certificates and company reports; membership certificates for lodges, unions and like institutions; letter headings and form letters; invoices and account forms, from 40 per cent ad valorem or 6d. per lb. w.i.g. to 50 per cent ad valorem or 8d. per lb. w.i.g.
2. Loose leaf refills, advertising and other, for pocket diaries, from 20 per cent ad valorem to 30 per cent ad valorem or 8d. per lb. w.i.g.
3. Envelopes falling under item 296(e), from 30 per cent ad valorem to 40 per cent ad valorem or 8d. per lb. w.i.g.
4. Address tags or tabs, flat or in rolls, from 40 per cent ad valorem or 6d. per lb. w.i.g. to 50 per cent ad valorem or 8d. per lb. w.i.g.
5. Loose leaf covers and binders; letter or document files in book or folder form, from 40 per cent ad valorem to 65 per cent ad valorem.
6. Envelopes—
 - (i) less than 9½ inches in length, from 20 per cent ad valorem to 6d. per lb.; and

- (ii) other, from 15 per cent ad valorem to 8d. per lb.

7. Buttons for ladies' wear, from free of duty to 40 per cent ad valorem.

Bringing into operation of the suspended duty on:

1. Paper, plain or composite, of the types included in item 295(d) of the tariff, to the extent of the whole suspended duty of 2d. per lb.
2. Paper, wrapping, falling under tariff item 295(f) to the extent of the whole suspended duty of 20 per cent ad valorem.
3. Wood pulp, bleached, to the extent of the whole suspended duty of 1½d. per lb.

The suspended duty, if brought into effect, would be additional to any existing duties.

Interested Canadian firms may wish to have their views on these tariff inquiries placed before the Board of Trade and Industries. The most effective method of making representations would be for such firms to request their representatives in South Africa to act on their behalf before the Board. Since these matters are normally taken under review soon after the announcements are made, it is advisable that interested Canadian firms take action as soon as possible.

REPRESENTATIONS RESPECTING THE TARIFF—It was announced on December 24, 1954, that the South African Board of Trade and Industries has received the following representations respecting the tariff:

Increase in duty on:

1. Household crockery of earthenware, chinaware and porcelainware, to 100 per cent ad valorem in terms of section sixty-five bis of the Customs Act.
2. Domestic refrigerator cabinets fitted with either compressor or absorbent type refrigerating units from free of duty to 25 per cent ad valorem.
3. Woolgrease, from 15 per cent ad valorem to 35 per cent ad valorem.
4. Citrus essential oils, from free of duty to 25 per cent ad valorem.
5. Plastic coated jute felt, from 10 per cent ad valorem to 25 per cent ad valorem.
6. All types of the following electrical accessories, from free of duty (minimum column) and 5 per cent ad valorem (intermediate column) to 15 per cent and 20 per cent ad valorem respectively:
 - (a) lampholders;
 - (b) switches, up to 60 amp., including switch cover plates;
 - (c) plugs and sockets, up to 15 amp.;

- (d) switch fuses, up to 60 amp.;
 - (e) switch plugs, up to 15 amp.;
 - (f) distribution boards, wood and iron-clad, up to 60 amp.; and
 - (g) adaptors, multiplugs, two-way adaptors and similar household gadgets, up to 15 amp.
7. Pickles, sauces, chutneys and other condiments, from 2½d. per lb., to 25 per cent ad valorem.
 8. Leather cup washers for water pumps, from free of duty to 25 per cent ad valorem.

Interested Canadian firms may wish to have their views on these tariff inquiries placed before the Board of Trade and Industries. The most effective method of making representations would be for such firms to request their representatives in South Africa to act on their behalf before the Board. Since these matters are normally taken under review soon after the announcements are made it is advisable that interested Canadian firms take action as soon as possible.

REPRESENTATIONS RESPECTING THE TARIFF
—It was announced on December 3, 1954, that the South African Board of Trade and Industries has received the following representations respecting the tariff:

Increase in duty on:

1. Salt, from 1s. 3d. per 100 lb. or 30 per cent ad valorem, whichever duty is the greater, to—
 - (a) in the case of coarse salt: 60 per cent ad valorem; and
 - (b) in the case of fine salt, either milled, refined, vacuum, table or dairy: 70 per cent ad valorem.
2. Soapless detergents in powder, liquid or solid form, including chemical compounds or mixtures of chemical compounds resulting from the processes of sulphonation, sulphation, condensation or polymerization, from various rates of duty to 25 per cent ad valorem.
3. Silverplate ware, from 20 per cent to 33½ per cent ad valorem.
4. Metal display fittings or equipment, from 20 per cent to 40 per cent ad valorem.
5. Miniature electric circuit breakers, from free (minimum rate) and 5 per cent ad valorem (intermediate rate) to 30 per cent and 35 per cent ad valorem, respectively.

Interested Canadian firms may wish to have their views on these tariff inquiries placed before the Board of Trade and Industries. The most effective method of making representations is for such firms to request their representatives in South Africa to act on their behalf before the Board. Since these

matters are normally taken under review soon after the announcements are made, it is advisable that interested Canadian firms take action as soon as possible.

Sweden

DOLLAR IMPORTS FURTHER LIBERALIZED—Sweden freed from import licensing certain additional dollar goods, according to a Royal Proclamation of December 17, 1954. Crude asbestos, syenite and various other minerals, ores of all metals and certain kinds of thin sheet iron are among the liberalized goods. This step adds to Sweden's considerable dollar import liberalization of October 1954, which was reported in *Foreign Trade* of October 30th

Readers may also recall that many dollar imports which remain subject to import licences will be admitted freely into Sweden for payment in so-called "transit" dollars, or if they are purchased via a non-dollar country. Only few imports, relatively, do not come under one of the above two schemes. It is believed that licensing of dollar goods remaining under control will, on the whole, remain in 1955 at the same level as in 1954—Stockholm, Jan. 12.

Switzerland

SUPPLEMENTARY CHARGES ON IMPORTED CEREALS REDUCED—Effective January 1st, Switzerland reduced the supplementary import charges on certain cereal products. These charges are levied, in addition to customs duties, on most cereal products imported into Switzerland from all sources. Wheat and rye for milling and flour for human consumption are not subject to supplementary charges, however.

The following reductions in the supplementary charges appear to be of interest to Canada. The charges are shown in Swiss francs per 100 kilograms (220.5 pounds). The former charges are shown in parentheses:

Feed rye and barley, 6 (8); feed oats, 5 (8); barley for milling, 3 (4); oats for milling, 2.50 (4); unspecified cereals (other than wheat, rye, oats, barley or rice) for human food or technical uses, 2.50 (3.50); unspecified cereals for feed, 5 and 6 (7 and 8); corn for human food, 2 (2.50); feed corn, 4 (5); corn flour and semolina for feed, 5 (6); bran, 2.50 (3.50); denatured flour for cattle feed, 5 (5.50).

On the other hand, the supplementary charge on hay, clover and alfalfa meal was increased from 4.50 francs to 7 francs per 100 kilograms—Berne, Jan. 10.

Information on Swiss supplementary charges on other cereal products may be obtained from the International Trade Relations Branch of the Department.

Trinidad

LICENSING ANNOUNCEMENT—Trinidad announced on December 30th that the following have been added to the schedule of the World Open General Licence:

Lumber and wood products, including shingles, laths, box shooks, staves, headings and barrel shooks, softwood and hardwood plywood, mouldings and trimmings of wood.

The effect of the notice is that importers are not required to obtain licences to cover imports of these items.

The conditions on which World Open General Licence is granted are that the goods shall be wholly produced in the country from which they are exported, that they are accompanied by a certificate of origin, and that payment for the goods is made to the country of origin of the goods.

United Kingdom

ADDITIONS TO WORLD OPEN GENERAL LICENCE—In Notice to Importers No. 705, the Board of Trade announces that, from January 17th, World Open General Licence treatment will be accorded to "wool and animal hair, raw, curled or dressed". Prior to that date, W.O.G.L. treatment was confined to raw wool of the alpaca, camel, goat, llama, rabbit and vicuna, and to sheep's and lambs' wool in the form of slipped or skin wool or wool in the fleece. Wool noils, tops and waste have been on World Open General Licence since December 1, 1954.

W.O.G.L. treatment is also extended, by Notice to Importers No. 707, to imports on and after January 17 of animal (other than marine animal) oils, fats and greases, but not including butter, lard, and unrendered pig fat.

QUOTA FOR FROZEN BEEF TONGUES—In Notice to Importers No. 709, issued January 18, the Board of Trade announces that arrangements have been made for a small quantity of frozen beef tongues to be imported on private account from Canada and the United States during the period January to March 1955.

trade commissioners on tour

FROM TIME TO TIME Canadian Trade Commissioners return to Canada to bring themselves up-to-date on conditions here and to renew their contacts with businessmen. Details of their itineraries appear under this heading, as a service to exporters and importers who wish to discuss trading problems with them.

J. C. Britton, Commercial Counsellor in Tokyo, Japan, began his Canadian tour in Vancouver on November 26th. His itinerary for the next two months is:

Windsor—Feb. 7-8
London—Feb. 9-10
Sarnia—Feb. 11

Guelph: Kitchener—Feb. 14
Oshawa—Feb. 16
Kingston—Feb. 17
Brockville—Feb. 18
Montreal—Feb. 21-March 4
Quebec City—March 7
Arvida—March 8
St. John's (Nfld.)—March 10-11
Saint John: Halifax—March 14-15

Businessmen in the various centres may get in touch with Mr. Britton through the following organizations:

Board of Trade—Guelph, Halifax, Montreal, Saint John.

Chamber of Commerce—Arvida, Brockville, Kingston, Kitchener, London, Oshawa, Quebec, Sarnia, Windsor.

Department of Trade and Commerce—St. John's (Stott Bldg.).

head office directory

Department of Trade and Commerce

This directory is intended as a useful reference for the business man who wishes to consult head office personnel on particular problems. Correspondence should be addressed to the heads of branches or divisions. Local government telephone numbers follow each name. (In Ottawa dial 9, followed by the local; when calling from out of town call the Government, 2-8211, and ask for the local only.)

No. 1 Building, 375 Wellington Street*

Gov. Local

Minister: The Rt. Hon. C. D. Howe, P.C., M.P.	0336
Deputy Minister: Wm. Frederick Bull	6748-2326
Executive Assistant: A. W. A. Lane	2380
Trade Policy Adviser: H. R. Kemp	5151
Technical Adviser: G. D. Mallory	3819
Associate Deputy Minister: M. W. Sharp	2888-5838
Economic Adviser: O. J. Firestone	4176
Assistant Deputy Minister: Oliver Master	2421
Comptroller-Secretary: Finlay Sim	2262

Economics Branch

Director: V. J. Macklin	5658
Associate Director: Dr. J. Davis	7372

Trade Commissioner Service

Director: John H. English	2530
Assistant Director for Foreign Service Operations: J. A. Stiles	6800
Assistant Director for Economic Planning and Co-ordination: J. P. Manion	8286
Area Trade Officers	
Asia and Middle East: J. P. Manion	8286
Commonwealth: C. B. Birkett	2144
Europe: K. Nyenhuis	0436
Latin America: S. G. Tregaskes	7641
United States: S. G. Tregaskes	7641
Assistant Director for Administration and Finance: M. Grant	3058
Western Representative: H. L. E. Priestman, 355 Burrard Street, Vancouver, B.C. (Cable address: FORTRADE)	Pacific 7161
Newfoundland Representative: E. M. Gosse, Stott Bldg., St. John's, Newfoundland	2698

Commodities Branch

Director: Denis Harvey	5417
Special Assistant: A. L. Neal	8269
Assistant Director (Export Promotion): J. P. C. Gauthier	6519

Import Division

Director: C. F. McGinnis	7163
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Transportation and Trade Services Division

Director: A. P. Bissonnet	6236
Export and Import Permit Section	
J. G. MacKinnon	3640
Processing Officers:	
Steel, non-ferrous metals, machinery, automobiles, all strategic materials:	
S. C. Cooke	6976
Textiles, lumber, chemicals, rubber products, leather: K. A. Peaker.....	5508
Imports and Office Supervisor: L. M. Lang	6991
Directories Section: Miss K. Griner	6681
B.W.I. Trade Liberalization Plan Section: G. L. Tighe	6905-5670
U.K. Token Import Plan Section: A. E. Fortington	5680
Transportation and Communications Section: H. A. Hadskis	2737
Traffic: J. H. Longfellow	7835

* Unless otherwise noted, all officers of the Department are in No. 1 Building.

Commodity Divisions

	Gov. Local
Machinery and Metals Division	
Chief: E. C. Thorne	4082
Machinery and Plant Equipment: J. R. Johnson	7546
Non-ferrous Metals: A. M. Tedford	5159
Industrial Minerals: E. J. Bonkoff	5823
Iron and Steel: J. M. Rochon	8422
Automotive and Agricultural Equipment: G. C. Clarke	3873
Forest Products and Chemicals Division	
Lumber and Manufactured Wood Products: J. C. Dunn	0273
Logs and Lumber Products:	4863
Pulp, Paper, Pulpwood: M. N. Murphy	6974
E. J. White	5127
Chemicals and Allied Products: S. G. Barkley	7601
Vegetable, Animal and Marine Oils and Fats, Petroleum and Products: R. T. Elworthy	5177
Consumer Goods Division	
Chief: D. G. W. Douglas	6197
Toys, Recreational Products, Musical Instruments: P. G. Jones	4160
Electrical Appliances, Sewing Machines: W. H. Grant	3209
Office, Hospital, Radio, Scientific and Surgical Instruments: A. C. Fairweather	7815
Handicrafts, Photographic Equipment, Jewellery: P. E. Jensen	5337
Plumbing, Heating and Hardware Products: G. W. Rahm	6958
Textiles, Fibres and Products: G. R. Poley	3004
Wearing Apparel: E. G. Gerridzen	5378
Leather, Rubber and Plastic Products: F. T. Carlen	0518
Imported Foods: E. B. Paget	4161

Agriculture and Fisheries Branch

Director: G. R. Paterson	4301
Assistant Director: W. B. McCullough	3980
Agricultural Products	
Plants and Plant Products: G. F. Clingan	7523
Livestock, Dairy and Poultry Products: K. L. Melvin	3172
Animal Products: A. J. Stanton	5859
Fish and Fish Products: T. R. Kinsella	7385

Grain Division

Chief: G. N. Vogel	5830-5648
R. M. Esdale	5830-5648

International Trade Relations Branch

Director: C. M. Isbister	2250-4042
Assistant Director: B. G. Barrow	2250
H. V. Jarrett	5642
European and Latin American Area	
Chief: M. Schwarzmann	7594
A. M. Baldwin	8727
R. E. Latimer	7696
F. P. Weiser	5642
Sterling Area	
H. K. Potter	8469
W. Lavoie	6531
E. J. McMeekin	8727
R. B. Nickson	7594
J. R. Downs	6531
United States Area	
B. S. Shapiro	8469
B. O'Neill	7696

Information Branch

Director: L. H. Ausman	2479-6394
Assistant Director: J. Fergus Grant	2186
Editor, <i>Foreign Trade and Commerce Exterieur</i> : Miss O. Mary Hill	6588
Advertising: Roy A. Abrahamson	6435

Translation Branch

Chief: M. Emile Boucher	2760
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Industrial Development Branch

Director: B. R. Hayden	7886
Technical Officer: W. J. Moloughney	5909

Dominion Bureau of Statistics

Holland Ave.	Gov. Local
Dominion Statistician: Herbert Marshall	6371-2529
Assistant Dominion Statistician: J. T. Marshall	7695
Assistant Dominion Statistician: S. A. Goldberg	5458
Agricultural Division	
Director: C. V. Parker	4774
Census Division	
Director: O. A. Lemieux	2088
Education Division	
Director: E. F. Sheffield	5933
General Assignments Division	
Director: H. L. Allen	4052
Health and Welfare Division	
Director: F. F. Harris	6651
Information Services Division	
Canada Year Book and Canada Hand Book	5894
Director: C. C. Lingard	0418
Industry and Merchandising Division	
Director: H. McLeod	2125
International Trade Division	
Director: C. D. Blyth	8340
Labour and Prices Division	
Director: H. F. Greenway	7424
Mechanical Tabulation Division	
Director: C. Scott	7368
Public Finance and Transportation Division	
Director: J. H. Lowther	5396
Research and Development Division	
Acting Director: F. H. Leacy	3071
Special Surveys Division	
Director: A. B. McMorran	5570

Standards Branch

West Block, Wellington St.	
Director: R. W. MacLean	2132
Assistant Directors	
Electricity and Gas: E. F. Power	2956
Weights and Measures: C. S. Phillips	2000
Commodity Standards: O'Neill O'Higgins	6721
Precious Metals Marking, and Enforcement: W. L. Berry	7075
National Research Building, Sussex Drive	
Supervisor, Standards Laboratory	2575

International Economic and Technical Co-operation Division (Colombo Plan)

No. 4 Building, Lyon St.	
Administrator: Nik Cavell	8495
Assistant Administrator: R. W. Rosenthal	8429
Capital Projects	
Chief: F. E. Pratt	0981
Technical Co-operation Service	
Chief: D. W. Bartlett	5542
Assistant Chief: J. T. Hobart	8662

Canadian Government Exhibition Commission

479 Bank St.	
Director: Glen Bannerman	3558

Export Credits Insurance Corporation

Birks Bldg., 107 Sparks St.	
President and General Manager: H. T. Aitken	2-4828
Assistant General Manager: A. W. Thomas	2,4828
Secretary: T. Chase-Casgrain	2-4828
Montreal Branch 607 St. James St. West	UN6-1268
Toronto Branch Rm. 1511, 55 York St.	EM4-5778

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are not included in the table.

For conversion to United States dollar equivalents multiply by 1.03560.

foreign exchange rates

Country	Unit	Type of Exchange	Canadian dollar equiv. Jan. 21	Notes (See below)
Argentina	Peso	Preferential buying .....	.1287	
		Basic buying .....	.1931	
		Preferential selling .....	.1931	(1)
		Basic selling .....	.1287	
		Free .....	.06951	
Austria	Schilling ..	.....	.03714	
Australia	Pound .....	.....	2.1520	
Belgium Luxem- bourg & Belgian Dependencies ...	Franc .....	.....	.01928	
Bolivia	Boliviano ...	Official .....	.00508	
British West Indies	Dollar .....	.....	.5604	(3)
	Pound .....	.....	2.6900	(4)
	Dollar	Brit. Honduras .....	.6725	
Brazil	Cruzeiro ...	Effective selling: Category I Category V	.01605* .00485*	tax 10% (2) *Dec. 28
		Official buying .....	.05259	(5)
Burma	Kyat .....	.....	.2028	
Ceylon	Rupee .....	.....	.2017	
Chile	Peso	Official .....	.00483	(1)
Colombia	Peso	Basic .....	.3862	
Costa Rica	Colon	Official .....	.1720	(6)
		Controlled free .....	.1454	
Cuba	Peso .....	.....	.9656	tax 2%
Czechoslovakia ...	Koruna .....	.....	.1341	
Denmark	Krone .....	.....	.1398	
Dominican Republic	Peso .....	.....	.9656	
Ecuador	Sucre	Official .....	.06438	
		Free .....	.05572	
Egypt	Pound .....	.....	2.7729	
Fiji	Pound .....	.....	2.4234	
Finland	Markka .....	.....	.00420	
France	Franc .....	.....	.00276	(7)
French Africa ...	Franc .....	.....	.00552	(8)
French Pacific ...	Franc .....	.....	.01517	(9)
Germany	D Mark .....	.....	.2300	
Greece	Drachma ...	.....	.03219	
Guatemala	Quetzal .....	.....	.9656	
Haiti	Gourde .....	.....	.1931	
Honduras	Lempira .....	.....	.4828	
Hong Kong	Dollar	Free .....	.1636	*Jan. 7
Iceland	Krona	Official .....	.05929	
		Special buying .....	.04566	
		Special selling .....	.03678	
India	Rupee .....	.....	.2017	
Indonesia	Rupiah	Basic .....	.08470	(10)
Iran	Rial	Certificate .....	.01160	
Iraq	Dinar .....	.....	2.7037	

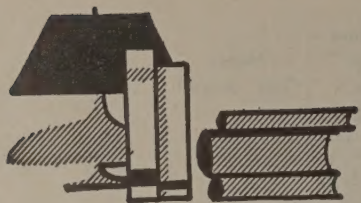
* Latest available quotation date.

Country	Unit	Type of Exchange	Canadian dollar equiv. Jan. 21	Notes (See below)
Ireland	Pound .....	.....	2.6900	
Israel	Pound .....	.....	.5364	
Italy	Lira .....	.....	.00155	
Japan	Yen .....	.....	.00268	
Lebanon	Pound	Free .....	.2971	
Mexico	Peso .....	.....	.07725	
Netherlands	Guilder .....	.....	.2544	
Netherlands Antilles	Guilder .....	.....	.5120	
New Zealand	Pound .....	.....	2.6900	
Nicaragua	Cordoba	Effective buying .....	.1463	(11)
		Official selling .....	.1370	
		With Surcharge I .....	.1199	
		With Surcharge II .....	.09608	
Norway	Krone .....	.....	.1352	
Pakistan	Rupee .....	.....	.2919	
Panama	Balboa .....	.....	.9656	
Paraguay	Guarani	Basic .....	.04598	(1)
		With Surcharge I .....	.03576	
		With Surcharge II .....	.02682	(12)
Peru	Sol	Certificate .....	.05082	
Philippines	Peso .....	.....	.4828	tax 17% (2)
Portugal	Escudo .....	.....	.03370	(13)
El Salvador	Colon .....	.....	.3862	
Singapore & Malaya	Straits dollar .....	.....	.3138	
South Africa (Union of)	Pound .....	.....	2.6900	
Spain & Dependencies	Peseta	Basic buying .....	.04409	
		Basic selling .....	.08606	
		Basic commercial selling .....	.05879	(1)
		Free .....	.02479	
Sweden	Krona .....	.....	.1867	
Switzerland	Franc .....	.....	.2253	
Syria	Pound	Free .....	.2702	*Dec. 15 (1)
Thailand	Baht	Official .....	.07725	
		Free .....	.04520	*Nov. 26
Turkey	Lira .....	.....	.3449	
United Kingdom	Pound .....	.....	2.6900	
United States	Dollar .....	.....	.9656	
Uruguay	Peso	Official .....	.6357	
		Basic buying .....	.5425	
		Special buying .....	.4109	(1)
		Basic selling .....	.5082	
		Special selling .....	.3941	
Venezuela	Bolivar .....	.....	.2882	(14)
Yugoslavia	Dinar .....	.....	.00322	

* Latest available quotation date.

notes

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only; certain essential imports exempt.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Brazil: Currency certificates auctioned for five import categories. Effective selling rate is official plus price of certificates. In addition to official rate Brazilian exporters receive exchange premiums ranging from 13.14 to 31.70 cruzeiros per U.S. dollar depending on product.
6. Costa Rica: Official rate applies to all Costa Rican exports.
7. Metropolitan France, Algeria, Tunisia, Morocco, French Guiana, Guadeloupe, Martinique.
8. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
9. New Caledonia, New Hebrides, Oceania.
10. Indonesia: Basic rate applies to all exports and essential imports. Rupiah value for other than essential imports is reduced by 33½ per cent, 100 per cent or 200 per cent depending on product.
11. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
12. Paraguay: Basic rate applies to most Paraguayan exports.
13. Approximately same rate for currencies of Portuguese Territories in Africa.
14. Venezuela: There are provisions for special rates for exports of petroleum, cocoa and coffee, not at present in effect for cocoa and coffee.



businessman's bookshelf

Business Year Book

The Financial Post, Toronto. 184 pages. \$3.00.

THIS PUBLICATION presents in concise form a wealth of statistical information on the Canadian market and its components. It should be found a valuable reference work by researchers, sales managers, businessmen contemplating the establishment of new facilities, and others interested in gauging the Canadian market.

The edition is divided into three sections. The first, "The Market Survey", gives a great deal of detailed information on Canada generally, on the provinces, and on the principal cities. It includes statistics of population, manufacturing, employment and production, wholesale and retail sales, and breakdowns of wage-earners by earnings and the labour force by occupational groups.

Under "National Business Review", the volume treats the year's developments as revealed in the national accounts and in data on prices, employment, earnings, etc. In "National Industrial Review", activity in specific sectors of the economy is considered.

Order from: Maclean-Hunter Publishing Co. Ltd., Toronto.

Falkland Islands, 1952 and 1953

United Kingdom Colonial Office. 52 pages. 75 cents.

"BLEAK AND INHOSPITABLE to a degree in appearance, the Falklands nevertheless can look attractive in fine weather and the sunsets are often magnificent." But the picture of life on these islands that one gets from this government report is rather grim. The climate is generally cool with an average annual temperature of 42°F., and the persistent strong winds can be hard on the nerves. Food is of good quality but lacks variety.

However, the people (totalling 2,230 in 1953) are full of spirit—as witness the chapter describing the Coronation celebrations—and films and a growing broadcasting service provide entertainment for them.

The Islands' main industry is sheep farming, primarily for the production of wool, skins and

tallow for export. The United Kingdom maintains an ionospheric observatory at Stanley, the capital.

This report is probably of only general interest to most readers, but parts of it, particularly the historical background, are fascinating. The Falklands dependencies are also covered in the report which includes a list of reference books and a map of the area.

Order from: United Kingdom Information Office, 275 Albert Street, Ottawa, Ontario.

How to Sell Successfully by Direct Mail

By J. W. W. Cassels. 330 pages. \$4.50. *Clarke, Irwin & Co.*

ALTHOUGH THIS BOOK was intended mainly to meet the need for a British primer on direct mail advertising, it should also be of value to Canadian traders whose products lend themselves to this selling technique.

Mr. Cassels, a past chairman of the British Direct Mail Advertising Association, shows an admirable balance in devoting half of his book to a description of the organization necessary for direct mail selling—the setting-up of a department, the establishment of a mailing list, the choice of paper, etc.—and half to practical material designed to give the reader a clear idea of actual direct mail techniques.

He does not, however, preserve the same balance in explaining the advantages and disadvantages of this advertising method. He points out the elements of selectivity, the personal touch, timeliness, possibility of measuring results, present in the well-conducted direct mail campaign. He does not, except by implication, discuss the limitations of direct mail in certain situations. Despite this, the book contains a great deal of information and by the time the attentive business reader puts it down, he should have a good idea of how a direct mail program could help him.

Order from: Clarke, Irwin & Co., 103 St. Clair Avenue West, Toronto, Ontario.

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